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UNDP budget estimates for the biennium 2006-2007

Report of the Administrator

Summary

The present report contains UNDP budget proposals and related estimates for the biennium 2006-2007 and underpins the multi-year funding framework for the period 2004-2007. The proposals herein support ongoing reforms of the United Nations system as called for by the Secretary-General, specifically recognizing the role of UNDP for the United Nations development system. Additional guiding principles for this budget proposal are a gradual shift towards proportionate funding of UNDP operational structures and efforts towards cost containment.

The Administrator is proposing a budget in net terms of $658 million for the biennium 2006-2007, which incorporates net cost increases amounting to $86 million. It further includes net volume increases of $9 million, resulting primarily from the mainstreaming of the UNCDF administrative costs into the UNDP budget proposals (Executive Board decision 2005/5). The net budget for 2006-2007 is therefore $95 million higher than the net budget approved by the Executive Board for the biennium 2004-2005 (2003/22), after an adjustment made for security. With respect to income that offsets the gross budget, an increase of $1 million is projected, from $70 million in 2004-2005 to $71 million in 2006-2007.

The Administrator is also proposing that the requirement for United Nations mandated security costs amounting to $31 million be treated as a distinct requirement from regular resources.

Elements of a decision

Two draft decisions are presented on pages 39 and 40 pertaining to UNDP and to the United Nations Development Fund for Women (UNIFEM).

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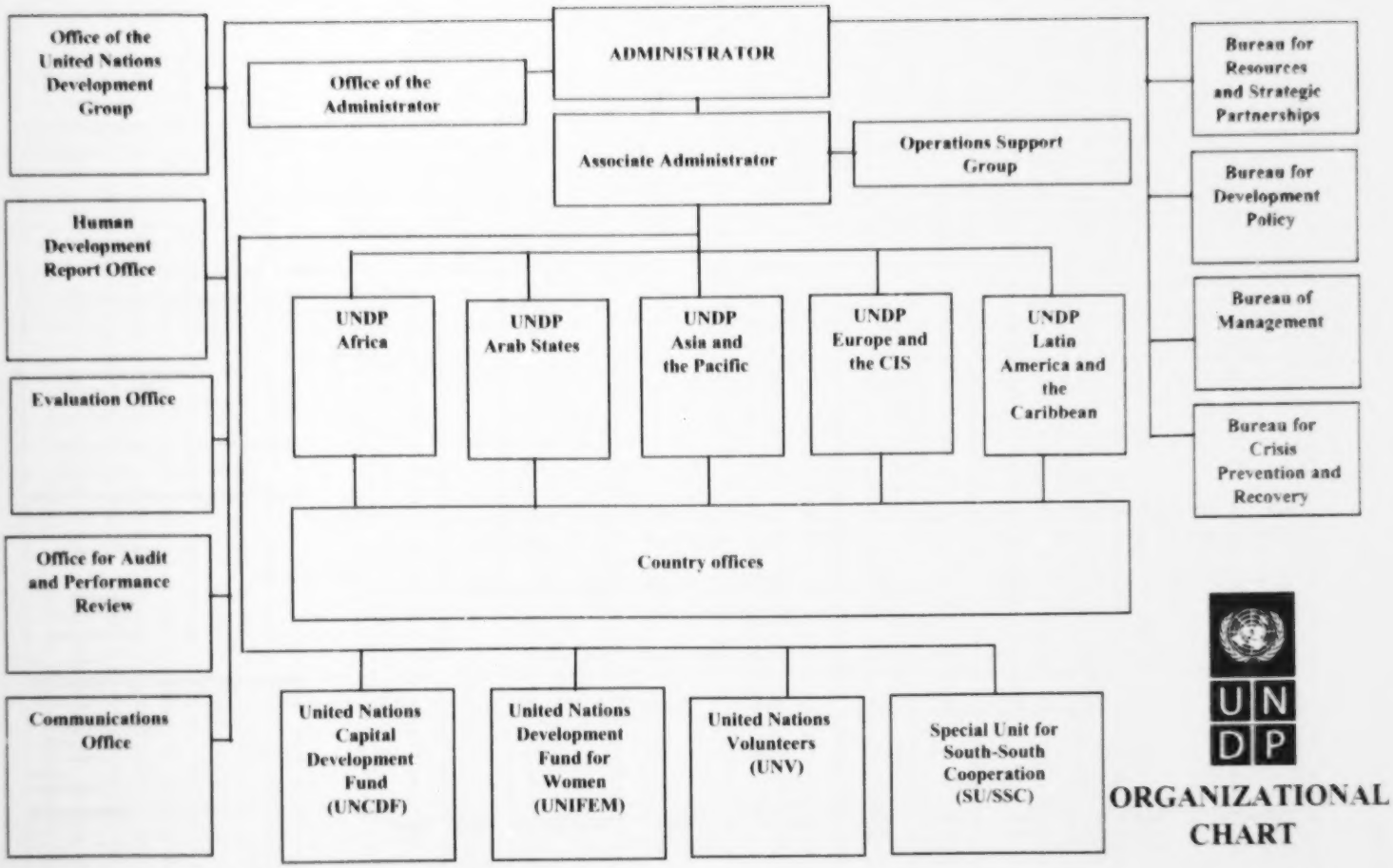

ADMINISTRATOR
Office of the Administrator
Associate Administrator
Operations Support Group
Office of the United Nations Development Group
Human Development Report Office
Evaluation Office
Office for Audit and Performance Review
Communications Office
Bureau for Resources and Strategic Partnerships
Bureau for Development Policy
Bureau of Management
Bureau for Crisis Prevention and Recovery
UNDP Africa
UNDP Arab States
UNDP Asia and the Pacific
UNDP Europe and the CIS
UNDP Latin America and the Caribbean
Country offices
United Nations Capital Development Fund (UNCDF)
United Nations Development Fund for Women (UNIFEM)
United Nations Volunteers (UNV)
Special Unit for South-South Cooperation (SU/SSC)

ORGANIZATIONAL CHART

DP/2005/31

Table 1: UNDP Resource Plan

Resources available	2004-2005							2006-2007						
	Donor resources			Local resources				Donor resources			Local resources			
	Regular resources	Other resources (Donor co-financing)	Total donor resources		Other resources (Government cost sharing)		Total resources	Regular resources	Other resources (Donor co-financing)	Total donor resources		Other resources (Government Cost sharing)		Total resources
	$	$	$	%	$	%	$	%	$	$	$	%	$	%	$	%
Opening balance	145.8	745.1	890.9		816.7		1 719.2		133.6	402.3	535.9		1 041.9		1 577.8	
Income																
Contributions	1 700.0	1 807.0	1 507.0		2 100.0		5 607.0		1 900.0	1 600.0	4 900.0		2 600.0		7 500.0	
Other a/		50.0	50.0		76.0		126.0			50.0	50.0		76.0		126.0	
Reimbursement for services		25.9	25.9				25.9			25.9	25.9				25.9	
Total	1 853.8	2 628.0	4 481.8		2 992.3		7 474.1		2 033.6	3 078.2	5 511.8		3 717.9		9 229.7	
Use of resources - Programme and support activities																
A. Programmes	1 121.0	1 873.0	2 994.0	83.6	1 878.0	96.5	4 872.0	88.1	1 190.0	2 842.9	4 032.9	81.8	2 822.5	97.1	6 854.3	89.8
B. Programme support																
1. Country offices	244.9	92.1	327.0	9.1	55.2	2.8	382.2	6.9	289.2	118.7	407.9	8.3	62.0	2.1	469.9	6.2
2. Headquarters	70.5	47.2	117.7	3.3	6.2	0.3	123.9	2.2	70.6	50.8	121.4	2.5	7.5	0.3	128.9	1.7
Total programme support	305.4	139.3	444.7	12.4	61.4	3.2	506.1	9.1	359.8	169.5	529.3	11.2	69.5	2.4	598.8	7.9
C. Management and administration	127.0	17.6	144.6	4.0	11.0	0.6	155.6	2.8	133.1	29.6	162.9	3.4	14.8	0.5	177.7	2.3
Total	1 553.4	2 029.9	3 583.3	100.0	1 950.4	100.0	5 533.7	100.0	1 682.9	3 041.3	4 724.2	100.0	2 906.8	100.0	7 630.8	100.0
Support to operational activities of the United Nations																
D. Programme support to resident coordinators	24.0		24.0				24.0		26.0		26.0				26.0	
E. United Nations Volunteers Special Voluntary Fund b/		175.0	175.0				175.0			270.0	270.0				270.0	
F. Country offices	101.5		101.5				101.5		120.8		120.8				120.8	
United Nations Development Group Office	2.9	0.8	3.7				3.7		3.7	2.5	6.2				6.2	
United Nations Volunteers	25.5	8.0	33.5				33.5		29.9	10.1	40.0				40.0	
Inter-Agency Procurement Services Office	1.0	12.0	13.0				13.0		1.1	14.6	15.7				15.7	
Subtotal	130.9	20.8	151.7				151.7		154.5	26.2	181.7				181.7	
Total	154.9	195.8	350.7				350.7		181.5	296.2	477.7				477.7	
G. United Nations Capital Development Fund									9.4		9.4				9.4	
Total use of resources - Programme and support activities	1 708.3	2 225.7	3 934.0		1 950.4		5 884.4		1 873.8	3 337.5	5 211.3		2 906.8		8 117.9	
Use of resources - Security																
H. United Nations mandated security costs c/	31.9		31.9				31.9		31.2	6.6	37.8		3.4		41.2	
Total use of resources	1 740.2	2 225.7	3 965.9		1 950.4		5 916.3		1 905.0	3 344.1	5 249.1		2 910.2		8 159.1	
Closing balance	133.6	402.3	535.9		1 041.9		1 577.8		128.6	134.1	262.7		807.8		1 070.6	
Biennial support budget																
Total net budget estimates d/	663.3	170.7	741.0		72.4		813.4		557.8	225.7	683.5		84.3		867.8	
Estimated income and adjustments																
Reimbursement for services		25.9	25.9				25.9			25.9	25.9				25.9	
Income to the budget	70.3		70.3				70.3		71.0		71.0				71.0	
Subtotal	70.3	25.9	96.2				96.2		71.0	25.9	97.0				97.0	
TOTAL GROSS BUDGET ESTIMATES	833.6	203.6	837.2		72.4		909.6		719.0	111.4	780.4		84.3		1 064.7	

a/ Includes interest and miscellaneous income.

b/ Includes financial value of volunteer assignments that are charged directly to agencies and partners.

c/ see paragraphs 129 to 138 on security.

d/ Include rows B, C, F and G, which are adjusted for security for the 2004-2005 biennium.

Note: Where amounts between different tables in the present document are cross-referenced, there may be differences of +/- 0.1 due to rounding.

I. Executive summary

1. This document presents the UNDP support budget estimates and related proposals of the Administrator for the 2006-2007 biennium. The support budget is an integral part of the organization's results based management framework as outlined in DP/2003/32 – the *Second multi-year funding framework, 2004-2007* (MYFF). The 2006-2007 support budget covers the second part of the MYFF period, acting as a strategic framework for UNDP in aligning organizational capacities and related resources to better deliver on the goals and priorities of the MYFF.

2. The United Nations reform agenda of the Secretary-General remains the driving force behind the strategy for the 2006-2007 budget. UNDP recognizes the significance of its contribution to the United Nations system, especially in the context of the first five year review of the Millennium Development Goals (MDGs) at the General Assembly Millennium +5 Summit in September 2005. For this reason, the 2006-2007 budget not only acknowledges the role of UNDP in ongoing United Nations system reforms, but continues strengthening organizational commitments to programme countries in their efforts to achieve the MDGs.

3. A new Administrator is assuming the leadership of UNDP in August 2005. Although certain flexibility is available to him during the 2006-2007 biennium, this document may not necessarily address all areas he deems to be organizational priorities. If required, the new Administrator would assess if any additional budgetary requirements could be accommodated through reprioritization. Should this not be possible, he may seek consideration and approval from the Executive Board through the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

4. Following Executive Board decision 2005/5, the 2006-2007 support budget for United Nations Capital Development Fund (UNCDF) has been mainstreamed into the proposals for UNDP. In addition, the 2006-2007 support budget estimates for the United Nations Development Fund for Women (UNIFEM) – a UNDP-administered Fund – are presented in chapter III.

A. Objectives and strategy

5. The *Multi-year funding framework report on UNDP performance and results for 2004* (DP/2005/16) presented key future challenges for the United Nations system from the perspective of a changing global political, social and economic environment; central to these challenges is the role and increased attention given to international development cooperation. For example, the international community is increasing commitments of aid resources and has begun to explore innovative approaches for development assistance.

6. The resolve of UNDP in contributing to the achievement of the MDGs was further enhanced by the report of the Secretary-General entitled *In larger freedom: towards development, security and human rights for all* (A/59/2005) as well as the final report of the Millennium Project called *Investing in development: a practical plan to achieve the Millennium Development Goals*. These not only energized and heightened the debate on poverty reduction and international development cooperation, but also focussed attention on the MDGs at both the global and country levels.

7. Based on the reform agenda of the Secretary-General and spelled out in documents such as *Strengthening the United Nations: an agenda for further change* (A/57/387), the United Nations Development Group (UNDG), chaired by the UNDP Administrator, has made considerable progress in moving towards more unified United Nations representation and greater effectiveness at the country level. However, more needs to be achieved to enable country teams to respond more proficiently to a country's development priorities. For UNDP to maintain its leadership role, it must clearly demonstrate that it is fully equipped and organized to support and lead the United Nations system in assisting programme countries to achieve the MDGs. A central pillar of this necessarily revolves around fostering strong national leadership and ownership for a country's own sustainable development.

8. In formulating the budget estimates and related proposals, the Administrator has taken into account the experience of UNDP performance, results and lessons learned, as well as future challenges. Against this backdrop, key areas of focus for the 2006-2007 budget strategy are:

a. Strengthening UNDP leadership in the United Nations development system;

b. Enhancing organizational capacity, efficiency, performance, accountability and results;

c. Cost containment and improving the proportionate share between regular and other resources of UNDP organizational capacities; and

d. Strengthening advocacy and outreach.

9. Considering the extensive transformation of UNDP in recent years, the organization's regular voluntary contributions since 2000 have increased by over 30 per cent to $842 million in 2004. Total contributions (excluding Funds) have increased substantially to $3.8 billion in 2004 from a level of $2.2 billion in 2000.

10. In presenting the budget proposals for 2006-2007, the Administrator has endeavoured to ensure that all required volume increases under his discretion would be accommodated through redeployments within the regular budget and that real increases would be limited to cost factors beyond the control of UNDP which would have resulted in a zero net real growth budget. As a consequence of Executive Board decision 2005/5, however, the 2006-2007 UNCDF administrative costs will be mainstreamed into the 2006-2007 UNDP biennial support budget. Taking into account a change management process undertaken by UNCDF with UNDP support, it was determined that a $10.0 million provision is required to adequately support the UNCDF Business Plan. In response to Executive Board decision 2005/29, the Administrator's report on the mainstreaming of UNCDF costs is contained in chapter II section H. Overall, this will result in a net real growth budget for 2006-2007 amounting to $657.8 million, incorporating a 1.6 per cent net volume increase and 15.2 per cent net cost increase.

11. Requirements resulting from United Nations policy documents and General Assembly resolutions related to mandatory security costs (most recently *Questions related to the programme budget for the biennium 2004-2005* – A/RES/59/276) have increased the organization's share of such costs significantly. This item is presented as a distinct requirement reflected as United Nations mandated security costs in the resource plan. The required funding from regular resources is estimated at $31.2 million.

Key areas of focus

Strengthening UNDP leadership for the United Nations development system

12. UNDP plays a lead role in the UNDG and must continue to guide the system: in further improving the alignment of United Nations programming frameworks with national plans, including the planning processes; in enhancing the role of the United Nations development system in supporting national capacity development[1]; including improving in-country aid management and effectiveness; in further simplifying and harmonizing programming tools and processes with increased opportunities for joint programming; in pressing for quicker rationalization of the United Nations country presence through common premises and services, starting with the 2006 implementation of the Joint Office Initiative; and in enhancing coordination support in the transition phase from relief to development amongst United Nations entities, including the World Bank.

13. Furthermore, UNDP is intensifying efforts in 2006-2007 to mainstream gender into the Common Country Assessment/United Nations Development Assistance Framework (UNDAF), MDGs needs assessments and poverty reduction strategy processes. While leveraging the unique role of UNIFEM, UNDP will actively work with other partners within the United Nations development system in advancing this agenda.

14. The December 2004 Triennial Comprehensive Policy Review (TCPR) resolution adopted by the General Assembly (A/RES/59/250) noted that the role of the United Nations in development cooperation is at a pivotal juncture, underscoring the need for further strengthening and reform to better equip and organize the system. In

[1] Refer to the UNDP report *Mid-term review of the programming arrangements for the period 2004-2007* (DP/2005/18) as noted by the Executive Board in decision 2005/26.

this same light, the recent Paris Declaration on Aid Effectiveness (March 2005) reiterated the principles of country ownership, alignment, harmonization, results and mutual accountability – all of which underlie the MYFF and broader aid coordination as part of United Nations reform efforts.

15. Strengthening coordination capacity for the United Nations system at the country level remains a leading challenge for UNDP. To meet this challenge, the organization is expanding its use of country directors beyond post conflict/crisis countries, widening their mandate to encompass countries with complex development challenges thereby enabling resident coordinators to concentrate primarily on coordination functions. There is also an urgent need to strengthen the resident coordinator capacity at the country level, as well as for the UNDG office at headquarters to respond to ever-increasing demands and challenges. For the 2006-2007 biennium, additional costs associated with this initiative are estimated at $57 million. To avoid impacting resources available for programmes at the country level, donor contributions are being solicited to fund the majority of this initiative, with an investment of $5.6 million provided for under the regular budget. The entire cost will subsequently be mainstreamed into the 2008-2009 budget.

Enhancing organizational capacity, efficiency, performance, accountability, and results

16. As outlined in the 2004-2007 MYFF report on UNDP performance and results, organizational effectiveness is an area requiring additional improvement. To further refine UNDP results based management, the MYFF established a clear relationship between the issue of capacity and the ability of the organization to deliver effective development services. It also called for enhancing organizational capacity and staff development to promote efficiency at all levels to deliver results and strengthen accountability mechanisms.

17. UNDP believes that much has been achieved in sharpening the focus of the organization and introducing results-oriented programming methods and instruments. A recent organizational effectiveness assessment of 23 multilateral organizations by the Department for International Development (United Kingdom) rated UNDP the highest. In addition, the Office of Management and Budget (United States) assessed the mission and performance of UNDP and gave high ratings to the organization in various categories. UNDP recognizes that more needs to be accomplished and, as part of this continuous improvement process, is benchmarking itself to international standards in areas of efficiency, performance and accountability.

18. Based on the organizational priorities summarized in the MYFF, UNDP embarked on several successful initiatives during 2004-2005, which will continue to be built upon during 2006-2007. These include: implementation of the practice approach for knowledge sharing and collaboration across the organization; implementation of the core modules of the Enterprise Resource Planning system (also referred to as Atlas), with additional modules to be phased in as part of the Wave II rollout – requiring an investment of $1.9 million from regular resources in 2006-2007 over the base information and communications technology budget; increasing learning opportunities through innovative approaches; establishing regional centres, as well as a global service centre, which will require an additional investment of $2.2 million in 2006-2007 for the global payroll function; implementing a wide range of human resource policies and attracting, developing, retaining and motivating a skilled, diverse and versatile workforce; and continuing to enhance the organizational oversight and accountability framework. Other related investments pertaining to accountability and security include $1.1 million to reform and strengthen the internal justice and grievance system in UNDP; and an investment of $0.8 million is proposed to deal with field-related security matters.

Cost containment and improving the proportionate share between regular and other resources of UNDP organizational capacities

19. UNDP is committed to cost containment through improved efficiency, performance and effectiveness. The ongoing rationalization of UNDP capacities, as well as their proportional funding, aims at the optimized use of donor contributions for country level development. The implementation of additional Atlas modules in this biennium will support further business process re-engineering efforts using information and communications technology.

20. The budget's net cost increases of $85.7 million are predominantly due to inflationary factors, compounded by the weakened United States dollar, primarily at the country level. Total investments of $16.0 million – principally at the country level – have been achieved through a combination of shifts and real reductions.

21. Additionally, UNDP continues to improve the proportionate share in the mix of total UNDP resources funding organizational capacities. In this context, the base structure of UNDP was reviewed, resulting in an additional realignment requirement of $0.4 million for the Regional Bureau for Latin America and the Caribbean (RBLAC). UNDP recognizes that, as a multi-funded organization, the proper classification of costs is essential to achieving equitable burden-sharing amongst all funding sources. The 2006-2007 budget has taken further steps to improve the mix in the funding of headquarters capacities. At the same time, the classification of costs – programme or management – remains to be better aligned with the UNDP business model, encompassing the key functions of United Nations system coordination; knowledge-based advisory services; development services; and operational services. UNDP is committed to making further progress in this area in 2006-2007, and will continue providing updates to the Executive Board on its cost recovery policies and consult with the ACABQ, when required.

Strengthening advocacy and outreach

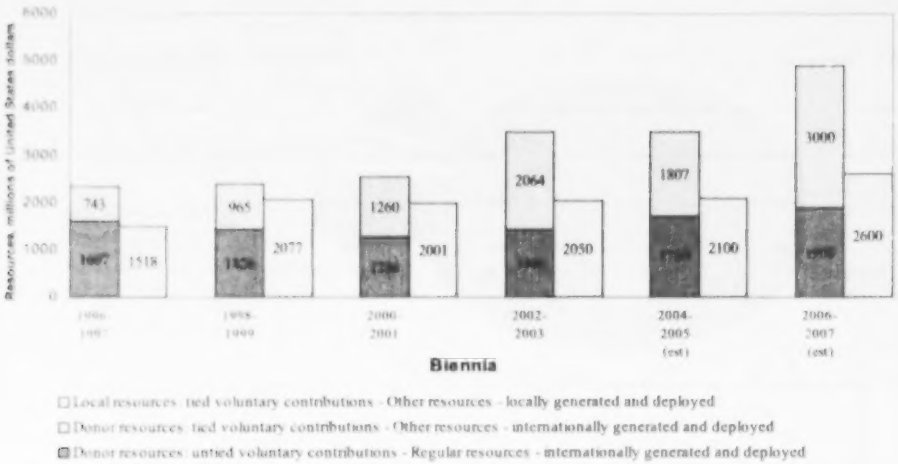
22. For the 2006-2007 biennium, UNDP needs to continue playing a strong role in support of the United Nations development system in order to help promote a broader understanding and acceptance of the MDGs and other development priorities amongst key constituencies at the local, national and regional levels. Strengthening advocacy and outreach activities will be required to increase the acceptance of the MDG framework and a strategic element of this is communications, such as in the context of national and regional MDG reports. Communities must have a better understanding of what the MDGs mean in terms of a direct impact on improving the quality of their lives. In addition, strategic communication will assist in building buy-in and support amongst constituents, a key element for national governments in progressing towards achieving these goals. The building and strengthening of partnerships with civil society and the private sector is also crucial. It is in this context that an investment of $4.0 million is proposed under the 2006-2007 budget for specific strengthening of advocacy and outreach activities at the country and regional levels.

Conclusion

23. It is of paramount importance to have UNDP fully equipped and organized to face varied challenges in 2006-2007 in areas such as leadership for the United Nations development system and supporting programme countries to make tangible and sustainable progress toward meeting the MDGs. Currently, there is an opportunity for the United Nations to play a more influential role in international development cooperation by having all its entities united and coordinated in their respective efforts using one programmatic framework – the UNDAF – as well as with harmonized funding mechanisms, development approaches, instruments and reporting requirements. Each Agency, Programme and Fund possesses a specific area of expertise and associated capacities; there is an opportunity to optimally leverage each of these strengths and synergies within the system with the intended result of a holistic approach that is accountable and responsible for performance and results. The United Nations development system would set an example, as would its country level development leadership role, acting as a beacon for the rest of the international development community while at the same time, significantly reducing transaction costs and maximizing all available resources for direct development inputs to the benefit of humankind. This is an opportunity that should not be missed.

B. Financial framework

Figure 1: UNDP contributions by funding category, 1996-1997 to 2006-2007



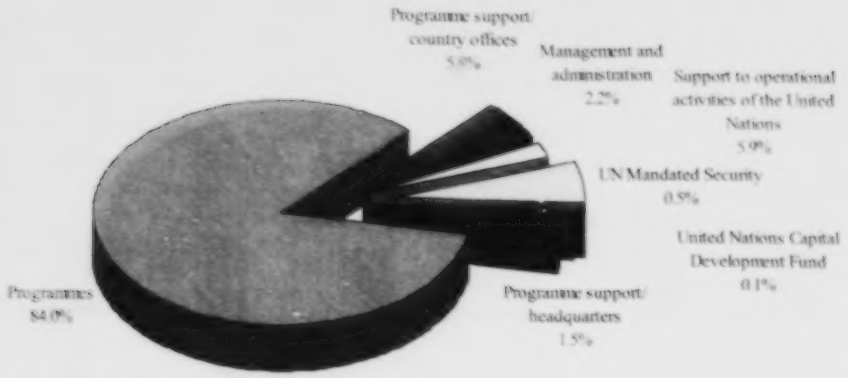
24. Since 2001, regular donor resources have been on an upward trend. The 2006-2007 biennium continues to build on this positive progress with expected growth by another $200 million, representing an increase of about 12 per cent over the projected $1.7 billion for 2004-2005. For 2006 and 2007, projections stand at $930.0 million and $970.0 million respectively, totalling $1.9 billion. While continued weakening of the United States dollar is mainly responsible for the growth, almost one-third of the increase can be attributed to strengthened donor support. The Administrator would like to highlight the very close linkage of current resource projections with currency fluctuations and remind the Board of its commitment to reach a billion dollars per year in regular resources contributions.

25. Other donor resources for trust funds and cost sharing continue showing a consistently strong upward trend. For the 2006-2007 biennium, projected donor cost sharing and trust fund contributions are estimated at a combined $3.0 billion, bringing projected total donor resource contributions to an estimated $4.9 billion for the biennium. Local resources provided by host governments are expected to increase in 2006-2007 to $2.6 billion. Total donor and local contributions for the biennium are estimated at $7.5 billion.

26. In the last budget, UNDP initiated a process of rationalizing the funding modalities of its operational structures to align them with a multi-funded approach. This involved identifying a base structure that would be fully regular resources funded and where all additional requirements would be proportionately funded from regular and other resources.

27. The current budget further advances this objective by revisiting the base structure for headquarters and proposing a gradual shift toward a proportionate funding modality for UNDP augmentation requirements. This has been achieved by identifying the portion of headquarters budgetary requirements that could be considered as augmentation and therefore, subject to proportional funding between regular and other resources. Based on calculations, an estimated $18.0 million should be shifted from regular resource funding to other resource funding to achieve full headquarters proportionality in alignment with the current overall resource framework. A total of $9.9 million has already been shifted while $5.0 million has been reduced in the proposed 2006-2007 headquarters budget, leaving a proportionality gap of about $3.1 million. The monies released from regular resources due to the shift were redeployed primarily to the country level to support the strategic priorities described in paragraphs 12 to 22. The Administrator is recommending that proportionality requirements at headquarters and at the country level be further refined as part of the 2008-2009 budget proposals.

Figure 2: Use of total resources, 2006-2007



28. The use of projected resources amounting to $8.1 billion for the 2006-2007 biennium is shown in figure 2, distributed against the common categories of the harmonized budget format – programme, programme support (headquarters and country offices), United Nations support, and management and administration. Additionally, two new categories reflecting the biennial support budget requirements for UNCDF ($9.4 million), as well as the United Nations mandated security costs ($41.2 million), have been added.

29. The UNDP resource plan for 2006-2007, covering both regular and other resources, is presented in table 1. The resource plan has three sections covering donor and local resources, which are: (1) resources available, comprising an opening balance ($1.6 billion), total contributions ($7.5 billion), other income ($126.0 million), and reimbursement for services at headquarters ($25.9 million); (2) use of resources, comprising net projections for programme, programme support and management and administrative activities ($6.9 billion, $598.8 million and $177.7 million respectively), support to operational activities of the United Nations ($477.7 million), UNCDF ($9.4 million), United Nations mandated security costs ($41.2 million); and (3) reconciliation of the overall resource plan with the biennial support budget, covering the total net and gross budget estimates.

30. As mentioned in paragraph 11, an additional section was added in the resource plan for the financial requirements of the security costs mandated by the United Nations. The 2004-2005 approved budget has been adjusted to exclude this amount since it is now being reflected as a separate line in the resource plan. This enables the Administrator to present the full costs related to mandated United Nations security requirements in a comprehensive and transparent manner.

Table 2: Summary of main areas of increase/decrease

(thousands of United States dollars)

			Volume	Cost	Total
I.	2004-2005 NET APPROVED APPROPRIATION				575 168.4
	ADJUSTMENT FOR SECURITY				(11 866.0)
II.	2004-2005 NET APPROPRIATION ESTIMATES				563 302.4
III.	INCREASES				
	A. Country offices				
	(i) Strategic investments and organizational strengthening				
	Country directors		4 505.0	-	4 505.0
	Strengthening of security		849.5	-	849.5
	Strengthening of advocacy and outreach		4 039.3	-	4 039.3
	Enterprise Resource Planning Atlas		1 883.0	-	1 883.0
	Global service center		1 833.3	-	1 833.3
		Subtotal	13 110.1	-	13 110.1
	(ii) Cost adjustments				
	Currency		-	2 770.1	2 770.1
	Security related cost		-	6 422.7	6 422.7
	Net operating expense related cost		-	12 968.1	12 968.1
	Net local post related cost		-	24 013.7	24 013.7
	Net International post related cost		-	18 975.6	18 975.6
		Subtotal	-	65 150.2	65 150.2
		Country office total increase	**13 110.1**	**65 150.2**	**78 260.3**
	B. Headquarters				
	(i) Organizational strengthening				
	United Nations Development Group Office		1 100.0	-	1 100.0
	Administration of justice		1 096.6	-	1 096.6
	Base structure alignment		374.7	-	374.7
	Global service center		366.7	-	366.7
		Subtotal	2 938.0	-	2 938.0
	(ii) Cost adjustments				
	Net operating expense related cost		-	4 183.0	4 183.0
	Security related cost		-	77.9	77.9
	Currency		-	1 973.4	1 973.4
	Net headquarters post related cost		-	14 301.8	14 301.8
		Subtotal	-	20 536.1	20 536.1
		Headquarters total increase	**2 938.0**	**20 536.1**	**23 474.1**
		TOTAL INCREASES	**16 048.1**	**85 686.3**	**101 734.4**
IV.	DECREASES				
	A. Country offices				
	Proportionality shift		(1 423.7)	-	(1 423.7)
		Country office total decrease	**(1 423.7)**	**-**	**(1 423.7)**
	B. Headquarters				
	Proportionality shift		(9 892.0)	-	(9 892.0)
	Reduction		(4 997.3)	-	(4 997.3)
		Headquarters total decrease	**(14 889.3)**	**-**	**(14 889.3)**
		TOTAL DECREASES	**(16 313.0)**	**-**	**(16 313.0)**
V.	NET ADJUSTMENTS, WITHOUT UNCDF		(264.9)	85 686.3	85 421.4
VI.	EXECUTIVE BOARD DECISION IMPLICATIONS				
	United Nations Capital Development Fund		10 022.5		10 022.5
VII.	TOTAL ADJUSTMENTS, WITH UNCDF		9 757.6	85 686.3	95 443.9
VIII.	NET CHANGE IN ESTIMATED INCOME				
	Increase in tax reimbursement offset		(800.0)		(800.0)
	Increase in United Nations Volunteers contributions		(100.0)		(100.0)
		Subtotal	(900.0)	-	(900.0)
IX.	2006-2007 NET APPROPRIATION ESTIMATES		8 857.6	85 686.3	657 846.3
X.	SECURITY				
	General Assembly decision implications and cost increases		29 209.9	2 033.8	31 243.7

C. Summary of proposals

31. The total gross appropriations for the 2006-2007 biennium are estimated to be $729.1 million. This figure is broken down by appropriation line and location in table 3, and is presented by organizational unit in summary table 1. An overview by main expenditure category is presented in summary table 2. Figure 3 gives a summary of total expenditures by expense category and figure 4 shows operating expenses by main category. After applying the estimated biennial income of $71.2 million to the gross appropriations, the total 2006-2007 net appropriation is projected at $657.8 million. The total change in the gross appropriation from 2004-2005 (after adjustment for security) amounts to an increase of $95.4 million, comprised of the net result of volume increases of $9.8 million and net cost increases of $85.7 million.

32. The net volume increase is primarily due to Executive Board decision 2005/5, which mainstreamed the support budget of UNCDF into UNDP regular resources. Without including UNCDF, the 2006-2007 gross appropriations would reflect a net volume decrease amounting to $0.3 million. The total income to the budget is increased by $0.9 million – $0.8 million for tax reimbursements and $0.1 million for the United Nations Volunteers. The result is a net budget of $657.8 million including UNCDF, and $647.8 million without UNCDF.

33. Despite expected programme delivery growth in both regular and other resources, the Administrator is presenting a zero net real growth budget for 2006-2007, excluding the support budget requirements for UNCDF. This will be realized through a strong commitment to cost containment and funding priorities through internal redeployments. The only exception is costs related to security, which have grown significantly during 2004-2005 and are expected to continue growing during 2006-2007. A separate proposal is being presented for security cost increases resulting from United Nations policy documents and General Assembly resolutions. Security issues are covered in more detail in paragraphs 129 to 138.

34. As presented in table 2, the gross volume increases for country offices and headquarters amount to $13.1 million and $2.9 million, respectively. The volume increase related to UNCDF amounts to $10 million. Total cost adjustments amounting to $85.7 million is broken down in the next paragraph.

Table 3: Gross budget estimates by appropriation line and by location

(thousands of United States dollars)

	2004-2005		Changes				2006-2007	
			Volume		Cost			
	Approved appropriations a/	% of Total	Inc./(Dec.)	% c/	Inc./(Dec.)	% c/	Proposed estimates	% of Total
By appropriation line								
Programme support								
Country offices	268 868.5	45.6%	7 291.5	2.5	47 560.1	16.5	343 720.1	47.1%
Headquarters	75 298.3	11.9%	(5 268.7)	(7.0)	5 178.9	7.1	75 408.5	10.3%
Management and administration b/	133 366.8	21.0%	(4 438.4)	(3.3)	10 025.0	7.5	139 953.4	19.1%
Support to operational activities of the United Nations								
Country offices	101 494.5	16.0%	2 561.8	2.5	16 710.3	16.5	120 766.6	16.6%
United Nations Development Group Office	3 153.2	0.5%	577.0	18.3	231.6	7.3	3 961.8	0.5%
Inter-Agency Procurement Services Office	956.1	0.2%	–	–	186.3	19.5	1 142.4	0.2%
United Nations Volunteers	30 479.0	4.8%	1 988.1	13.2	5 594.1	18.4	35 065.0	4.8%
United Nations Capital Development Fund	–	0.0%	10 022.5		–		10 022.5	1.4%
TOTAL	633 612.4	100.0%	9 757.6	1.5	85 686.3	13.5	729 056.3	100.0%
By location								
Country offices	407 062.0	64.2%	11 080.4	2.9	65 150.2	16.0	483 898.6	66.4%
Headquarters	195 115.3	30.8%	(10 963.2)	(5.6)	14 755.7	7.6	198 907.8	27.3%
Inter-Agency Procurement Services	956.1	0.2%	–	–	186.3	19.5	1 142.4	0.2%
United Nations Volunteers	30 479.0	4.8%	1 988.1	13.2	5 594.1	18.4	35 065.0	4.8%
United Nations Capital Development Fund	–		10 022.5		–		10 022.5	1.4%
TOTAL	633 612.4	100.0%	9 757.6	1.5	85 686.3	13.5	729 056.3	100.0%
Income	(70 310.0)		(900.0)	1.3			(71 210.0)	
Net budget estimates	563 302.4		8 857.6	1.6	85 686.3		657 846.3	

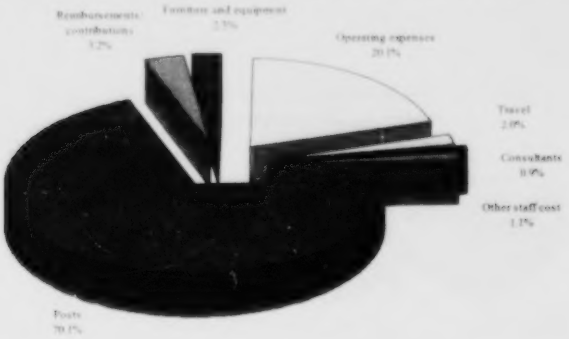
a/ Amount is adjusted for security, see paragraph 137.

b/ Includes both headquarters and country offices components.

c/ Percentages for volume and cost are relative to the approved appropriations amounts.

Note: Where amounts between different tables in the present document are cross-referenced, there may be differences of +/–0.1 due to rounding.

Figure 3: Expenditure by main category, 2006-2007



35. The net volume increase of $9.8 million, reflected in table 3 by appropriation line and in summary table 1 by organizational unit, is further broken down by main area in table 2. Summary table 1 incorporates the adjustment for security, found in paragraph 134. The net cost increase of $85.7 million, reflected in table 3 and in summary table 1 is further broken down by different categories in table 2. Key factors for the relevant cost adjustments are as follows:

(a) A net increase of $6.5 million in security costs principally attributed to the malicious acts insurance programme (MAIP), maintenance of security standards, evacuations and residential security measures;

(b) A currency adjustment of $4.7 million – an increase as a result of the continued weakening of the United States dollar. This aspect of the budget has grown significantly since the last biennium, compared to earlier years when the strong dollar resulted in considerable savings;

(c) Post-related cost adjustments amounting to a net increase of $57.3 million as a result of:

(i) A net increase of $27.9 million relating to post-adjustment, within-grade salary increments and re-costing of entitlements fully incorporating the impact of inflation;
(ii) A net increase of $27.7 million relating to re-costing of local posts fully incorporating the impact of inflation; and
(iii) An upward adjustment of $1.7 million to incorporate the financial impact of the proposed reclassifications.

(d) Operating cost adjustments amounting to a net increase of $17.2 million fully incorporating the impact of inflation.

36. The full impact of inflation is estimated at 3.5 per cent, per year, reflecting the combined effect of a 2.1 per cent annual inflation rate at headquarters and a 4.0 per cent annual inflation rate for country offices.

Figure 4: Expenditure breakdown by operating expenses, 2006-2007

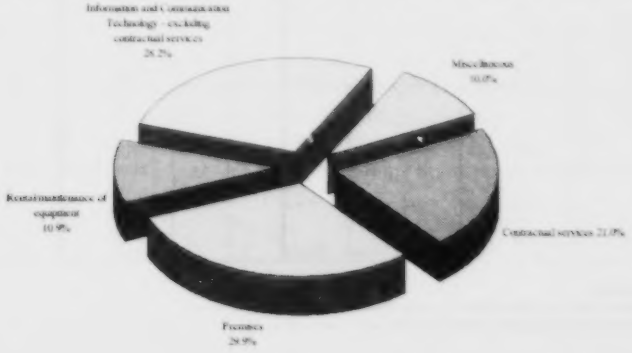
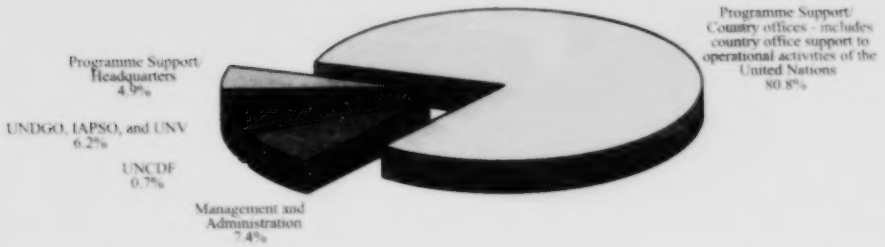


Figure 5. Regular resources posts by appropriation line, 2006-2007


Programme Support/ Country offices - includes country office support to operational activities of the United Nations 80.8%
Programme Support/ Headquarters 4.9%
UNDGO, IAPSO, and UNV 6.2%
UNCDF 0.7%
Management and Administration 7.4%

37. Despite the mainstreaming of 22 UNCDF posts in the UNDP regular support budget (shown in table 4), the total number of posts decreased from 3306 to 3289. Country level posts constitute 81.9 per cent of total organizational posts, with headquarters (including United Nations Volunteers, IAPSO and UNDCF), completing the remaining 18.1 per cent. Programme support represents 85.7 per cent of total posts, of which 80.8 per cent are located at the country level and 4.9 per cent at headquarters. Posts under management and administration represent 7.4 per cent of total posts. Summary tables 4 and 5 present more detailed information. Figure 5 shows posts financed from regular resources by appropriation line.

Table 4: Regular resource posts by category, appropriation line and location

	2004-2005 Approved posts					Changes				2006-2007 Proposed posts				
						Increase/(Decrease)								
	IP	NP	GS	Total	% of Total	IP	NP	GS	Total	IP	NP	GS	Total	% of Total
By appropriation line														
Programme support														
Country offices	365	546	1744	2655	80.3%	15	(2)	(11)	2	380	544	1733	2657	80.8%
Headquarters	100	-	81	181	5.5%	(5)	-	(15)	(20)	95	-	66	161	4.9%
Management and administration a/	119	11	134	264	7.9%	(1)	-	(18)	(19)	118	11	116	245	7.4%
Support to operational activities of the United Nations														
Country offices b/														
United Nations Development Group Office	4	-	6	10	0.3%	1	-	1	2	5	-	7	12	0.4%
Inter-Agency Procurement Services Office	1	-	1	2	0.1%	-	-	-	-	1	-	1	2	0.1%
United Nations Volunteers	28	60	106	194	5.9%	-	-	(4)	(4)	28	60	102	190	5.7%
United Nations Capital Development Fund						13	-	9	22	13	-	9	22	0.7%
TOTAL UNDP	617	617	2072	3306	100.0%	23	(2)	(38)	(17)	640	615	2034	3289	100.0%
By location														
Country offices	376	557	1748	2681	81.1%	15	(2)	(1)	12	391	555	1747	2693	81.9%
Headquarters	212	-	217	429	12.9%	(5)	-	(42)	(47)	207	-	175	382	11.6%
Inter-Agency Procurement Services Office	1	-	1	2	0.1%	-	-	-	-	1	-	1	2	0.1%
United Nations Volunteers	28	60	106	194	5.9%	-	-	(4)	(4)	28	60	102	190	5.7%
United Nations Capital Development Fund						13	-	9	22	13	-	9	22	0.7%
TOTAL UNDP	617	617	2072	3306	100.0%	23	(2)	(38)	(17)	640	615	2034	3289	100.0%

a/ Includes both headquarters and country offices components.

b/ All staff resources assigned to country offices are shown under Programme support - Country offices alone and are not split between Programme support - country offices and Support to the operational activities of the United Nations - country offices.

II. Proposals for the 2006-2007 biennial support budget, UNDP

A. Introduction

38. The 2006-2007 budget proposals underpin the programmatic and operational priorities of the 2004-2007 MYFF and are guided by the four conceptual pillars of the MYFF, which are:

a. The Millennium Declaration and achieving the MDGs – the overarching framework for current UNDP activities;

b. Country level demand for UNDP support – a key strategy for addressing needs and priorities as defined by programme countries;

c. The reform agenda of the Secretary-General – placing UNDP (as custodian of the resident coordinator system) in an influential position to coordinate and provide coherence to United Nations activities at the country level, particularly in connection with achieving the MDGs; and

d. The continued transformation of UNDP – to optimize operational effectiveness and efficiency.

39. The 2006-2007 budget proposals build upon the funding strategy of the 2004-2005 budget, particularly regarding:

a. The consolidation of the base structure concept at the country level and its application to headquarters funding modalities resulting in an additional requirement of $0.4 million;

b. Gradual proportional funding of UNDP operational costs between regular and other resources. Income generated from cost recovery will increasingly close the funding gap between regular and other resources, as explained in paragraph 48, with the 2006-2007 biennium already shifting $11.3 million from regular resources to other resources; and

c. Key investments totalling $15.6 million in critical areas including support of United Nations reform at the country and headquarters levels, advocacy and outreach in support of the MDGs and other achievements as well as increased operational efficiency by leveraging the full capabilities of Atlas.

d. Efficiency gains totalling $5.0 million in areas of management and operations resulting, *inter alia*, from the implementation of Atlas and business process re-engineering.

40. A zero net real growth budget (not taking into account UNCDF) is proposed in the context of expected increases during the biennium in regular and other resources of about 12 per cent and 43 per cent respectively. Therefore, the proposal should be viewed as part and parcel of the organization's cost containment strategy, for which the following key elements remain:

a. New requirements related to strategic investments funded from internal re-deployment of resources; and

b. Continuous review and upgrade of UNDP business processes and organizational structures to generate operational efficiencies.

41. Results based management is now recognized across the United Nations system as a way to strengthen performance and accountability for deployment of human and financial resources as well as achieve substantive results. In collaboration with UNFPA and the United Nations Children's Fund (UNICEF), UNDP is committed to taking results based management to the next level, initiating a process of harmonization towards implementing results based budgeting for the next biennium. The three agencies will consult with the ACABQ and their respective Executive Boards over the next two years to reach a common understanding on results based budgeting requirements and any implications on budget presentation.

B. Funding modalities for UNDP

1. Sustainable base structure in country offices and at headquarters

42. Executive Board decision 2003/22 requests UNDP to report on the implementation status of the base structure concept at headquarters and country office, first introduced in the 2004-2005 biennial support budget. The Administrator is presenting a revised base structure for headquarters following a functional review of the statutory and corporate functions. The further realization of regional and global service centres would have a direct impact on the capacity requirements at headquarters, and therefore changes to the headquarters base structure might be proposed at a later stage.

43. No revision is being proposed for the base structure for country offices at this time, however given the evolving structural requirements at the country level, it may be necessary to refine the approach underpinning the country office base structure during the 2006-2007 biennium. This is particularly true in light of ongoing discussions about country directors and the funding modality of deputy special representatives of the Secretary-General (DSRSG).

44. The Administrator has made significant efforts in the current budget to improve funding proportionality at headquarters. Of the total $11.3 million shifted from regular resources to other resources, $9.9 million relates to headquarters, with a balance of $1.4 million being shifted at the country level. Addressing the country level gap will continue as a priority to be dealt with during the 2006-2007 biennium. As the amount of funding from each source is dynamic, it is necessary to recalculate the proper proportional funding every biennium based on the overall resource framework of the organization at that point in time. Table 5 presents a breakdown of the base structure and augmentation requirements at headquarters, country offices, United Nations Volunteers and IAPSO as well as at global and regional levels, together with the resource shift from regular resources to other resources (referred to as proportionality shift), as proposed for 2006-2007.

Table 5: Base and augmentation structures, 2006-2007

Location	Base structure			Augmentation									Total posts		
	Regular resources			Regular resources			Total other resources								
							Proportionality shift			Other resources					
	IP	NO	GS	IP	NO	GS	IP	NO	GS	IP	NO	GS	IP	NO	GS
Country offices	184	408	594	173	124	1118	1	2	10	43	467	1088	401	001	2810
Headquarters	192	0	110	28	0	72	12	0	21	179	0	128	411	0	331
Global/Regional centres	12	17	10	22	6	27	0	0	1	15	0	11	49	23	49
UNV and IAPSO	24	60	77	5	0	36	1	0	3	23	0	45	53	60	151
Total	412	485	791	228	130	1243	14	2	35	260	467	1272	914	1084	3341

2. Harmonization of cost classification and strategic cost management

45. How UNDP classifies costs is critical in ensuring accurate funding and achieving sustainability. In the document *UNDP strategic cost management and implications for cost recovery* (DP/2004/35), UNDP reported on the outcome of inter-agency meetings resulting in a redefinition of cost classifications. Direct costs are defined as unequivocally linked with programmatic activities, while indirect costs are defined as those incurred during the management of programmatic activities. Applying harmonized cost classifications to the UNDP business model supports the proper attribution of cost to all sources of funds. The areas of the business model – development services, knowledge and advisory services, United Nations system coordination – entail direct costs related to the programmatic activities in each area, as well as indirect costs for management. The funding mix of related management costs above the base structure should match the funding mix of programmatic activities.

46. UNDP revised its policy as part of the 2004-2005 biennial support budget to warrant that the cost of managing programmes is shared equitably among all funding sources. This policy change was informed by the report of the Joint Inspection Unit on support costs (JIU/REP/2002/3).

47. Resource mobilization at UNDP is decentralized and as a consequence, the majority of cost recovery income is retained by the country office to cover the cost of programme management. In line with the conference room paper *Reporting of UNDP income from cost recovery* (DP/2005/CRP.4), table 6 provides an overview of cost recovery income estimates based on the full implementation of the cost recovery policy of UNDP during the 2006-2007 biennium and assumes the delivery of resources in line with the resource plan.

48. There are two main sources for cost recovery income: (a) general management support provided to other resources funded programmes; and (b) services to the United Nations system at the country and headquarters levels. For the 2006-2007 period, UNDP estimates a total cost recovery income of $252.9 million, which constitutes a $78.0 million increase over 2004-2005. Based on the principle of proportional sharing of variable indirect costs above the base structure, about $25.0 million per year of administrative costs should be shifted from regular resources to other resources. UNDP will continue to monitor compliance with the policy and analyze cost recovery data as it becomes available through Atlas. The goal is to report back to the Executive Board on the status of cost recovery in September 2007, in time for the 2008-2009 biennial support budget.

Table 6. Cost recovery income estimates

(in millions of United States dollars)

	Other Resources Income 2004-2005	Other Resources Income 2006-2007
- Income from donor co-financing	$93.0	$142.0
- Income from programme country cost-sharing	$56.0	$85.0
Subtotal income estimate from programme activities	$149.0	$227.0
- Income from services at headquarters	$25.9	$25.9
- Income from services at the country office level	*figures available 2006*	*figures available 2006*
Subtotal income estimate from United Nations agency services	$25.9	$25.9
Total cost recovery	**$174.9**	**$252.9**

C. Programme support

49. This section deals with the programme support component of the budget related to country offices and headquarters. As shown in table 3 and table 4, this covers 57.4 per cent of total appropriations and 85.7 per cent of post resources, respectively. Of the 57.4 per cent of total appropriations, 47.1 per cent relates to country offices and 10.3 per cent to headquarters. Of the 85.7 per cent of total post resources, 80.8 per cent relates to country offices and 4.9 per cent to headquarters.

50. The full implementation of strategic cost management and results based budgeting in time for the 2008-2009 biennial support budget will result in an improved delineation of programme and management cost. This in turn will require that the structures and their corresponding funding be reviewed and refined to adequately segregate the costs linked to programme activities from those in support of organizational management.

1. Country offices and regional facilities

51. Under this section, budget proposals relating to programme support-country offices are presented in the following key areas: (i) 2006-2007 country office priorities; (ii) continued implementation of the regionalization process; (iii) centrally budgeted resources; and (iv) government contributions towards local office costs. Summary table 3 presents an overview by region of the use of resources for programme and programme support.

2006-2007 priorities of UNDP country offices

52. Though programmatic priorities respond to individual country demands and regional specificities, UNDP will continue to focus on its five development practice areas and support the United Nations reform agenda at the country level over the next two years. Key results are targeted in support to MDGs as the basis upon which UNDP plans and implements a pro-poor policy in its practice areas: reducing human poverty; fostering democratic governance; crisis prevention and recovery; energy and environment; and responding to HIV/AIDS. Gender and capacity development will continue to be mainstreamed across all practices.

53. On the operational side, UNDP aims to further improve capacity, efficiency and accountability. As set out in the MYFF, the organization is implementing a practice approach; increasing access to learning opportunities; expanding implementation of Atlas; establishing and expanding regional centres; implementing new human resource policies; and enhancing oversight and accountability frameworks.

54. General Assembly resolution A/RES/59/250 firmly anchors management of the United Nations resident coordinator system with UNDP. It further recognizes that in countries with large country teams, complex coordination situations or complex emergencies, resident coordinators lack the capacity to address equally well all tasks inherent in their combined duties of resident coordinator, resident representative, designated official for United Nations security as well as in some cases, humanitarian coordinator. In this regard, the appointment of a country director to support the day-to-day activities of UNDP was also endorsed by the resolution.

55. The current modality places country directors only in countries with complex emergencies. UNDP will expand the modality to encompass countries with large country teams, programmes and complex coordination situations. The Administrator has already requested the support of UNDP donors to fund 40 country directors from extra-budgetary resources. In 2006-2007, UNDP proposes to fund seven country director posts from regular resources plus related operating costs for a total of $4.5 million.

56. The implementation of this strategy may impact current UNDP country office structures as well as operational and funding modalities. It will therefore require a review of the UNDP base structure and funding modalities as presented in the 2004-2005 biennial support budget. The intention would be to align funding modalities with the new reality and the requirements of managing the resident coordinator system and UNDP programmatic and operational activities in the context of the 2008-2009 biennial budget.

57. The concept of base structure has allowed country offices to determine core functions and relate minimum capacities to funding from regular resources. This concept provided the flexibility to regional bureaux to re-allocate, across country offices, resources above the base structure in a strategic manner. UNDP will continue to work toward gradual achievement of proportional funding between regular and other resources of capacity above the base structure. In the context of the 2006-2007 biennium, a total of $1.4 million in country level operational costs will be shifted from regular to other resources.

Continued implementation of the regionalization process

58. In 2004, regional centres were established in Bangkok, Bratislava, Colombo and Johannesburg. In addition to providing policy advisory services in the development practices – with management function of the regional programmes and services shared within each region – these centres are being strengthened to enhance country office capacity and performance. The ongoing regionalization process remains an operational priority for 2006-2007, leading to a more rational division of labour and improved services among country offices, regional centres and corporate units. The consolidation of capacity into regional centres is also integral to the wider United Nations reform agenda – for 2006-2007, it is envisaged that the technical support structures and coverage of the regional bureaux will be aligned among the ExCom agencies of the UNDG.

59. UNDP also intends to enhance its advocacy and outreach activities in 2006–2007 by focussing on the following:

Advocacy for the MDGs—This is expected to generate broader and deeper acceptance amongst key constituencies, particularly at the country level, of the importance and significance of the MDGs and other development priorities;

Strengthening programmes through strategic advocacy—An important tool in achieving development objectives at the country level;

Support for United Nations reform—To be advanced through strategic efforts to present consistent organizational messaging, especially at the country level. Increased advocacy across the organization will be utilized in support of this goal.

60. Given the above priorities, UNDP is proposing an investment of $4.0 million to support advocacy and outreach in the 2006-2007 budget. The amount will cover seven international regional advisors and related operational expenses.

Centrally budgeted resources

61. This category covers specific capacity, either regional or global, where country offices are the beneficiaries. Summary table 5 shows 173 posts under the 2006-2007 regular support budget. Of these, 31 are international professionals, 41 are national professionals and 101 are support staff posts. A breakdown of the various sub-components under this category is as follows:

(a) Of the 29 entry-level posts available under the leadership development programme (LEAD) for the 2006-2007 biennium, three remain under centrally budgeted resources for allocation at a later time, based on country level priorities. All other posts are directly allocated to country offices and units;

(b) A provision for 15 international professionals, to be deployed in a flexible manner to strengthen office capacity in crisis prevention and recovery activities as the need arises. This capacity is similar to that used in the 2004-2005 biennium, which has proven to be an effective approach in implementing the Bureau for Crisis Prevention and Recovery (BCPR) rapid response mission in the wake of natural disasters or other crisis situations;

(c) The security related costs for UNDP amounting to $7.5 million includes a proposal for two additional international professionals. The total component comprises: four international professionals; contributions to special insurance premiums for risk-prone locations; and an allocation for security-related equipment. Refer to paragraphs 129 to 138 for additional information related to security.

(d) There is provision for an additional $1.9 million for new investments in information and communication technology requirements of country offices. Another $2.2 million is available for enhanced knowledge management and results based management;

(e) The resources allocated to the Programme of Assistance to the Palestinian People (PAPP) include two international professional posts, three national professionals, and 10 support staff;

(f) A $0.6 million provision for planning and assessment of new United Nations houses, responding to calls for reforms from the Secretary-General;

(g) An amount of $1.2 million to cover the special needs of country offices concerned with staff-related HIV/AIDS issues and awareness, including the full implementation of the United Nations personnel policy on HIV/AIDS and the International Labour Organisation Code of Practice on HIV/AIDS and the World of Work;

(h) Two international professional posts and two support positions within the Special Unit for South-South Cooperation to support operations in Africa and Asia;

(i) The sum of $8.2 million provided for after service health insurance premiums for retirees and staff costs such as *ex-gratia* payments;

(j) A limited level of resources (five international posts, 38 national professionals, and 89 support staff) to be used for specific strategic needs that will emerge in the course of the biennium. This approach has been effective to temporarily strengthen the presence of UNDP in special circumstances, for example, in the Sudan, Sri Lanka, Maldives, Thailand and Indonesia.

Government contributions towards local office costs

62. Table 7 shows 2004 government contributions towards local office costs (GLOC) from direct cash payments, accounting linkage with voluntary contributions and in-kind contributions broken down by the income category of programme countries. Against a total obligation of $45.6 million, total contributions in 2004 amounted to $34.8 million, made up of $23.9 million in direct cash payments and the accounting linkage with voluntary contributions, with the remaining $10.9 million representing in-kind contributions. This represents 76 per cent compliance, compared to 94 per cent in 2002. In particular, middle-income country compliance remains at a less than desirable level. While the Administrator appreciates the improvement by some countries toward meeting GLOC obligations, all programme countries are strongly encouraged to meet their respective obligations.

63. For the 2006-2007 biennium, UNDP will maintain the option to withhold part of the support budget resources for those countries where significant GLOC deficits occur, with an emphasis on middle-income countries.

Table 7: GLOC income by category of countries, 2004

(millions of United States dollars)

Income Category	GLOC obligations including in-kind contributions	Income Received			Percentage received against obligation
		Cash and accounting linkage	In-kind contributions	Total Income received	
Low-income countries	14.6	5.3	5.1	10.4	71%
Middle-income countries	23.3	10.8	4.7	15.5	67%
Net Contributor Countries	7.7	7.8	1.1	8.9	116%
Total	45.66	23.9	10.9	34.8	76%

2. Headquarters—Programme Support

64. This component of programme support is comprised of management oversight of country offices by the five regional bureaux, as well as development policy, crisis prevention and recovery, operations support, South-South cooperation and centrally budgeted resources. Table 4 indicates that 4.9 per cent of total post resources are allocated under this component of the budget. The appropriation in 2006-2007 allocated for this component of the budget amounts to 10.3 per cent of the total, as shown in table 3.

Management oversight of country offices

65. Headquarters will continue to provide vision, strategy, advocacy, coordination and play a supervisory role in support of country and regional operations. Regional bureaux exercise direct oversight of country office operational, programmatic and United Nations coordination matters and work closely with the relevant central services units and UNDGO to play an essential role in the accountability structure of UNDP. These bureaux will continue focussing on results and performance in line with the MYFF framework and established management mechanisms. In operational terms, the progressive establishment of regional service centres in support of country offices will further ensure speed of services to programme countries in all regions.

66. Support to programme countries in achieving the MDGs and implementing the United Nations reform agenda will remain critical cross cutting areas of focus for regional bureaux oversight. During the second half of the MYFF, regional bureaux in close collaboration with UNDG ExCom agencies' entities will continue working towards: (a) increasing operational and programmatic coherence and coordination at headquarters and country levels; (b) developing and implementing strategies for effective cross-agency thematic linkages and operational efficiency; (c) strengthening oversight mechanisms to support country office performance; and (d) ensuring that country offices will follow up on lessons learned and recommendations of Executive Board decision 2005/20 – *Report on UNDP performance and results for 2004*. Specific regional priorities for each bureau are as follows:

Regional Bureau for Africa—Strengthening partnership and resource mobilization efforts with multilateral agencies and banks as well as bilateral initiatives with selected countries and institutions; supporting ongoing institutional transformation for good governance; responding to the spread of HIV/AIDS, strengthening governance especially in countries emerging out of crisis to ensure the consolidation of peace and the re-establishment of national and local institutions; and capacity development in all of the above areas to ensure the availability of human and logistical resources.

Regional Bureau for the Arab States (RBAS)—Economic growth and enhanced governance through capacity building; producing the Arab Human Development Report (AHDR); a focus on gender issues; effective regional crisis response, particularly in Iraq, Sudan and Somalia.

Regional Bureau for Asia and Pacific (RBAP)— An increased focus on capacity building of democratic institutions, public administration and decentralisation; continued special support to priority countries in special development situations, Timor Leste and Afghanistan for example, and countries affected by the tsunami; and countries where the Executive Board approved programmes with certain limitations.

Regional Bureau for Latin America and the Caribbean—Programme delivery for results and capacity development, with a focus on improving accountability; democratic governance, mainstreaming gender and enhancing partnerships with the private sector; and building national capacities in risk mitigation and natural disaster response along with country office improvements in conflict prevention.

Regional Bureau for Europe and the Commonwealth of Independent States (RBEC)—Improved governance work including expansion of successful advisory services; a knowledge management system integrating advisory services, evaluation, knowledge sharing and codification developed and used intensively in the region; and active private sector engagement in 50 per cent of the countries of the region.

67. Funding levels for all regional bureaux remain the same in the 2006-2007 biennium with the exception of RBLAC, where the funding modality is adjusted as a result of the establishment of the base structure for headquarters and subsequent proportionality shift. It is proposed to add one international professional post in the base capacity of RBLAC resulting in a gross increase of about $0.4 million. The net impact of post reclassifications for all regional bureaux, reflected in summary table 4, comprises a downward reclassification of a D1 level post to the P5 level (RBLAC) and one upward reclassification, from the P3 to the P4 level (RBAP).

Operations Support

68. The Operations Support Group will continue to support regional bureaux in assessing and monitoring programmes and management performance through the results oriented annual report. In addition, it will continue providing operational support to the Office of the Associate Administrator and leadership in the preparation of the MYFF. The 2006-2007 budget proposes to reduce one professional and one general service post.

Development Policy

69. In the 2004-2005 budget for the Bureau for Development Policy, the operational infrastructure of the bureau was fully incorporated into the biennial support budget. Regular resources from the biennial support budget will continue to cover the costs of core administrative and managerial functions and the basic practice and knowledge network infrastructure. The substantive and advisory capacity will continue to be funded from the global programme and other resources.

70. In the context of its internal reorganization and alignment of functional and job requirements with post levels, the bureau is proposing the reclassification of two D1 level posts to the D2 level for directors of the poverty and HIV/AIDS practice groups. The bureau has five practice groups aligned with the practice areas of UNDP; three of these groups are headed by directors at the D2 level. Considering the breadth and span of responsibilities, the proposed reclassification brings consistency to senior management of the practice architecture and recognizes the priority the organization accords to this responsibility across all practice areas. As part of an overall functional realignment within the bureau, a downward reclassification from the D1 level to the P5 level and an upward reclassification from the P3 to the P4 level are also proposed.

Crisis Prevention and Recovery

71. Due to the mainstreaming of crisis prevention and recovery approaches into UNDP-supported programmes, interrelationships between peace, security and development are now apparent in all practice areas. The crisis prevention and recovery practice supports conflict prevention, the reduction of disaster impact, the creation of a safe and secure development environment, and early, rapid crisis recovery. UNDP is pro-actively engaged with the peace-building commission, and any recommendations thereof will be addressed through the Administrator's flexibility.

72. The 2004-2005 budget regularized the funding of BCPR core capacity and basic infrastructure to operate effectively. This regularization fully mainstreamed the function of crisis prevention and recovery into UNDP core functions and organizational priorities. One general service reclassification to the P2 level is proposed.

South-South Cooperation

73. In September 2004, the Executive Board decided to include South-South cooperation among the drivers of development effectiveness in the UNDP MYFF. On the basis of the *Third cooperation framework for South-South cooperation 2005-2007* (DP/CF/SSC/3/Rev.1) approved by Executive Board in its first regular session of 2005 (2005/7), the unit intends to come up with effective policies, strategies and mechanisms for implementing South-South cooperation action plans, aligning them to efforts by countries to meet the MDGs.

74. The third cooperation framework envisages activities to be undertaken in three broad platforms in 2006-2007: policy development, research, dialogue and mainstreaming; the creation of an enabling environment and mechanisms to expand South-South business cooperation and technology exchanges to reduce poverty; and fostering southern development knowledge and solutions sharing. To enable the unit to respond to key decisions emanating from the governing bodies and the operational strategies to implement the cooperation framework, it is necessary to align its staffing structure. It is therefore proposed to reclassify one P4 post to the P5 level.

Centrally budgeted resources

75. Under the centrally budgeted category, certain elements are not specific but cut across all units. These include premises and all associated costs, information technology and other common services, as discussed in paragraph 88.

D. Management and administration

76. The present section covers the management and administration component of the budget. It comprises strategic direction, corporate oversight and accountability, resource mobilization, strategic partnerships and communication, management, and a central component for headquarters and country offices. As shown in table 3 and table 4, this component covers 19.1 per cent of total appropriations and 7.4 per cent of post resources.

1. Strategic direction, corporate oversight and accountability

77. Overall management and strategic and policy direction of the organization are provided by the Office of the Administrator through the Administrator and Associate Administrator. In addition, the Associate Administrator chairs the UNDP Oversight Group comprised of the Office of Audit and Performance Review (OAPR), the Evaluation Office and the Operations Support Group. The budgetary requirements of the Operations Support Group are discussed in paragraph 68, while the budgetary requirements of the remaining members of the oversight group are discussed below. Strengthening and increasing accountability for delivering development results and effective resources management will remain critical areas of attention for these offices in the next biennium.

78. Accountability for results will be strengthened through planning and reporting systems, including the MYFF report, expanded internal audit, evaluations, the continued enhancement of the internal control framework, and expansion of the internal justice system. Corporate oversight mechanisms are also being enhanced through the oversight sub-group of the Executive Team and revision of the terms of reference of Management Review and Oversight Committee to ensure availability of a reliable, transparent and usable set of oversight measures that can be easily adopted by each major UNDP managerial unit.

79. To ensure effective implementation of internal and external audit recommendations and in response to a recommendation contained in the *Report of the United Nations Board of Auditors* (A/59/5/Add.1), OAPR will carry out a comprehensive risk assessment exercise and establish a risk committee in 2006-2007. Special efforts will be devoted to strengthening the analytical and monitoring capacities of the office at the regional level and through the acquisition of new software for electronic audit working papers.

80. The Evaluation Office will focus on enhancing evaluation standards and developing an organizational policy aligned with norms and standards recently approved by the United Nations Evaluation Group. Besides six thematic evaluations and approximately 10 country programme evaluations for the biennium, which will target some of the most pressing organizational issues, the Evaluation Office will continue to provide evaluation orientation and training for country offices and strengthen professional partnerships with national agencies, networks, and donors. Related to this, net reclassifications of two general service level posts to the international professional level are proposed.

81. The Administrator places a high priority on efforts to reform and strengthen the internal justice and grievance system in UNDP and is proposing the establishment of a full-time advisory function at the D1 level, supported by a full-time legal officer (P4) and one administrative support position. The senior advisor will also be responsible for formulating and developing procedures for disciplinary and financial recovery cases to ensure backlogs do not emerge. The senior advisor on the administration of justice will report to the Administrator through the chief of staff and director of the Office of the Administrator and will serve as the chair of the UNDP disciplinary committee as well as the UNDP financial recovery review committee.

2. Resource mobilization, strategic partnerships and communications

82. Responsibility for developing the institutional capacity of UNDP to enhance strategic partnerships and to strengthen its resource mobilization capacity rests with the Bureau for Resources and Strategic Partnerships (BRSP), which builds and strengthens relations with key constituents and development partners, the Executive Board, programme countries, donors, the United Nations system, the International Financial Institutions, the European Commission and related institutions. For 2006-2007, the BRSP programme of work will focus on strengthening inter-agency collaboration in the framework of the reform agenda of the Secretary-General and on developing new partnerships with civil society and the private sector, where UNDP will follow up on recommendations of a report by the Commission on the Private Sector and Development entitled *Unleashing entrepreneurship: making business work for the poor*. The bureau will also ensure effective coordination of UNDP MDGs initiatives, including management of the trust fund, and continue to support country offices in resource mobilization strategies. In this respect, an upward reclassification of one P5 post to the D1 level is proposed. Furthermore, as endorsed by the ACABQ in its letter of 13 September 2004, a position at the Assistant Secretary-General level funded from other resources for the head of the bureau is reflected in summary table 5.

83. UNDP partnership building will be supported by a revamped communication strategy to effectively advocate for the MDGs agenda and its interim accomplishments. Most efforts in response to the critical needs stated above will be carried out by the Communications Office of the Administrator at the country and regional level as discussed in paragraph 22. An upward reclassification of one P5 post to the D1 level is included in the budget proposal.

3. Management

84. The ability of UNDP to deliver development results rests heavily on its efficiency. To this end, UNDP has combined its internal transformation strategy with the development and advisory services outlined in the MYFF to enhance operational capacity through a series of targeted investments. Among those are further integration of the results based management and budgeting, establishing and expanding regional centres, as well as implementing a state-of-the-art enterprise resource planning system (Atlas), as discussed in section F.

85. The oversight and accountability framework of UNDP (outlined at the beginning of this section), hinges on results based management principles. In response to the Executive Board decision 2003/8, UNDP is committed to fully aligning the biennial support budget process with the MYFF and with the programme financial frameworks for the next MYFF cycle (2008-2011). In close collaboration with UNFPA, UNDP will seize the opportunity to present an aligned 2008-2009 results based biennial support budget, linked to programmatic results and organizational capacity to support delivery of programmes, as outlined in the MYFF. In addition, UNDP will enhance results based management systems by introducing an integrated performance management framework, bringing the different perspectives of organizational effectiveness together into a single balanced scorecard during the 2006-2007 biennium.

86. Several initiatives started during the last biennium affected management and operational services and brought about a rationalized division of responsibilities and clustered operational support. Hence, the UNDP office in Copenhagen now includes a shared service centre providing global human resources administration and payroll services. The present budget proposes an allocation in the amount of $2.2 million for the global payroll function, with fees offsetting the remaining costs for the provision of services to United Nations entities. Looking forward, this global consolidation will allow country offices to shift related functions and processes, bringing about commensurate increases in service quality and long-term efficiency gains.

87. In 2006-2007, Atlas will integrate financial, project management, human resources, information and other processes across the organization in the service of all corporate units, as well as partners in programme countries. Additional rationalization of functions and business processes will take place in the area of finance and resource management, which will strengthen financial control and accountability. UNDP aims to further improve its capacity, efficiency and accountability by benchmarking itself with international standards towards a more networked and knowledge-driven organization. Ongoing UNDP internal transformation and streamlining has resulted in a proposed 10.0 per cent reduction ($4.4 million) in the budget of the Bureau of Management for 2006-2007 – this will act as the driver for continued transformation and streamlining in future. In alignment with changing job functions and responsibilities, net reclassifications of one P4 post to the P5 level and three general service to international professional level posts are being proposed.

4. Centrally budgeted resources

88. This component reflects costs that need to be managed centrally since they relate to activities that cut across units and lend themselves to centralized implementation. It covers provisions for: (a) information and communications technology; (b) premises and infrastructure costs, furniture and equipment, communications and advocacy; (c) reimbursement to the United Nations for services rendered; (d) provision for central staff related costs; (e) UNDP contributions to jointly-financed activities of the Chief Executive Board; and (f) contributions to the office of UNDP/UNFPA/UNOPS ombudsperson. As mentioned in paragraph 18, a provision has been made in this biennium of $2.2 million for the global service centre.

E. Human resources management

89. The positioning of UNDP as a knowledge-based, practice approach-oriented organization and the demands placed on it in a rapidly changing environment necessitate improving the organization's ability to attract, develop, retain, and motivate a highly competent, diverse and versatile workforce. Taking guidance from the 2004-2007 MYFF and building on the momentum created in previous biennia, UNDP will concentrate its human resources management efforts in the areas of reform; learning; talent management; gender and diversity; and human resources services.

90. With regard to human resources reform, UNDP will fine-tune its policies and implementation mechanisms to ensure that staff skills and competencies remain highly competitive in the market for advisory and development services. In order to support the continued realignment package of UNDP, it is proposed to maintain the 2004-2005 funding level of $16.5 million, including cost increases. To strengthen the performance based reward system, a broad banding initiative will continue to be piloted in 2006-2007.

91. As UNDP streamlines its performance management systems, corporate learning strategies will be leveraged to further strengthen staff competencies. To this end, the organization will initiate professional training programmes resulting in certification of office and individual capabilities in key business processes. In addition to developing new learning modules aligned with job families and consistent with job competencies and results framework, UNDP will continue tailoring its leadership development programmes.

92. The learning strategies will support corporate efforts in the area of talent management, enabling proactive identification of skill pools and gaps. Increased focus on talent management through early identification and development of qualified staff will support the organization's goal to achieve a gender-balanced and diverse workforce at all levels. In 2006-2007 UNDP will expand the data-validated practice experience map with skills inventory of all staff to be used in the identification of talent for critical assignments. Staff development will be also strengthened through design and implementation of an integrated competency and performance assessment framework. It is proposed that the provision for learning be maintained at the 2004-2005 level – $16.4 million including cost increases.

93. Finally, further improvements of the human resources services in UNDP, including administration of entitlements, will ensure its international reputation as a preferred employer. In addition to strengthening the global service center in Copenhagen, discussed in the paragraph 18, all related policies and procedures will be upgraded on an ongoing basis, helping staff to stay highly motivated and productive at work.

F. Information and communications technology, and business process re-engineering

94. The primary objective of the 2006-2007 information and communications technology strategy (to be completed in the fourth quarter of 2005) is to ensure that technology investments bring UNDP business functions and processes in line with best practices. The centrepiece of this strategy will be, as it has been in the prior two biennia, an enterprise resource planning system based on PeopleSoft, known as Atlas. Atlas is hosted from a secure and redundant machine infrastructure, and accessed via the Internet by over 8000 users in more than 140 offices.

95. After an implementation of unprecedented functional and geographical scope, initial Atlas functionalities went live in UNDP, UNFPA and the United Nations Office for Project Services (UNOPS) on schedule on 1 January 2004. Notwithstanding the normal teething issues intrinsic to an implementation of this magnitude, UNDP programme delivery in 2004 was 17 per cent higher than in 2003, with over 20 different United Nations entities now being serviced through Atlas at headquarters and in country offices.

96. UNDP has significantly improved country office connectivity upon which successful use of Atlas depends. Many offices have been able to upgrade to broadband access paths, while offices still using satellite-based connectivity have been the focus of intensive monitoring and quality improvement efforts. As internet access improves, particularly in Africa, offices are being moved to faster, cheaper, and more stable methods of connectivity, the benefits of which also apply to other areas of the information and communications technology strategy, in particular knowledge sharing through growing practice networks.

97. Atlas is enabling UNDP to set new standards for project management, support rapid scaling up in individual programme countries, and streamline business processes that will, over time, result in efficiency gains and productivity increases. Standard transaction processes will allow training programmes to be developed once and then used across the organization. It is also expected that the use of a common banking interface will result in reduced banking fees. These types of benefits will increasingly allow for a reprioritization of resources. To support the implementation of business simplification, UNDP developed and rolled out a change management toolkit in March 2005, a web-accessible suite of tools providing guidance for the optimization of business processes and alignment of structures.

98. While the initial wave of Atlas functionalities has provided the essential foundation for performance of basic business functions, it is only a first step. Enhancements and new developments will continue in the 2006-2007 biennium. A palette of options is presently under implementation; the priority and sequencing of these options depend on several factors, including our ability to leverage the initiatives of present and potential partners and our ability to mobilize additional resources. A Prince2-compliant project management approach has been introduced to ensure regular review of priorities and progress.

99. The total amount proposed under the regular support budget in 2006-2007 for information and communications technology related costs is $42.2 million, as shown in table 8. This amount, which takes into account cost increases and growth in Atlas users, provides for continued maintenance of some legacy systems not yet replaced by Atlas, full production maintenance for Atlas, and routine upgrades and enhancements.

Table 8. Estimated distribution of information and communications technology and business process re-engineering requirements, 2006-2007

(thousands of United States dollars)

		Contractual services						
			Maintenance services					
Period	Staff costs	Systems development and re-engineering	ERP and Legacy	Connectivity and infrastructure	Total	Hardware / Software supplies	Other	Total
2004-2005 a/	8 309.6	21 573.4	2 158.8	-	2 158.8	5 382.6	148.7	37 573.1
2004-2005 revised b/	8 309.6	3 955.4	11 866.1	7 910.7	19 776.8	5 382.6	149.7	37 573.1
2006-2007	8 531.7	1 883.0	17 662.0	8 370.8	26 032.8	5 751.2	156.6	42 154.9

a/ The 2004-2005 ICT allocation in the biennial support budget as presented in DP/2003/28, table 10

b/ Original projections for 2004-2005 did not disaggregate Atlas production and maintenance costs from development and re-engineering costs. It is now possible to provide a clearer and more detailed distribution for 2004-2005 maintenance costs.

100. Original projections for 2004-2005 did not disaggregate Atlas production and maintenance costs from development and re-engineering costs. These figures are found on the first row of table 8. At this point it is possible to provide a clearer and more detailed distribution for 2004-2005 costs (presented on the second row of table 8), while similarly detailed projections for the 2006-2007 biennium are found on the third row.

101. An initial benchmarking study comparing the 2006-2007 information and communications technology maintenance budget of UNDP with the maintenance budgets of UNICEF and the World Food Programme for 2004-2005 revealed that UNDP is, comparatively, at the low end. As in the 2004-2005 proposal, any funding requirements for additional projects will be covered through an array of measures to be implemented during the biennium, including but not limited to: extra-budgetary resources, income for service provision to other resources funded projects and to United Nations entities; savings from efficiency gains due to business re-engineering and the discontinuation of legacy systems; and targeted resource mobilization from donors. United Nations partners in the Atlas project will also contribute their share of the total information and communications technology costs.

G. Support to operational activities of the United Nations

102. This component is an integral part of the support budget of UNDP and is consistent with the harmonized presentation of the budget. It recognizes that UNDP is at the heart of the United Nations country presence with respect to development activities. This component comprises: (a) United Nations Development Group Office (UNDGO); (b) country offices; (c) United Nations Volunteers; and (d) IAPSO, which are described in the following paragraphs. The appropriation in 2006-2007 allocated to this component of the budget amounts to 22.1 per cent of the total, as shown in table 3.

1. United Nations Development Group Office

103. During 2006-2007, the United Nations development system, led by UNDP, will need to redouble efforts to provide more effective support to programme countries in eliminating obstacles that hamper nationally-owned and led sustainable development. Achieving this will require better discipline by the international development community in simplifying and harmonizing the numerous funding mechanisms, the varied development approaches, numerous instruments and projects as well as the multitude and complexity of reporting.

104. In view of the above, UNDGO – as the secretariat to the UNDG – will continue to concentrate on strengthening the resident coordinator system and enhancing strategic coherence of the United Nations development system to further translate United Nations reform into results at the country level. In this regard, UNDGO will focus on strengthening country teams to respond more effectively to country development priorities. Key results are targeted in the following areas:

a. Continued alignment of United Nations programming frameworks with national plans, strategies and planning processes;
b. Strengthened field level coordination capacity for the United Nations at country level;
c. Further simplification and harmonization of programming tools and processes, with increased opportunities for joint programming;
d. Rationalized country presence through common premises and services;
e. Support to post-crisis countries;
f. Increased regional quality support and assurance; and
g. Enhanced knowledge management, communications and information.

105. In recognition of its critical role in supporting United Nations reform through strategic coordination and strengthened country teams, it is proposed that the staffing of UNDGO be increased from four to five international professionals and six to seven support staff positions funded from the regular support budget. One additional international professional post is provided from other resources for the 2006-2007 biennium. Four international professional staff are seconded from other UNDG members. Earmarked funds under the 'support to resident coordinator' line of the programming arrangements will continue to be utilized for supporting coordination activities at the country level.

2. Country Offices

106. UNDP plays a critical role in leading the United Nations team at the country level towards achieving a cogent and effective development effort by the United Nations system at large. This is accomplished through the management and sponsorship by UNDP of the resident coordinator function; the global network of 136 UNDP country offices supporting the coordination of development activities for much of the United Nations system; and UNDP participation in important policy making fora such as the UNDG and the United Nations System Chief Executive Board for Coordination.

107. General Assembly decision A/RES/59/250 on the TCPR underscored the fact that the management of the resident coordinator system continues to be firmly anchored with UNDP. It also reaffirmed that the resident coordinator system, within the framework of national ownership, has a key role to play in the effective and efficient functioning of the United Nations system at the country level. A major function of the resident coordinator is to promote the MDGs by engaging country level development partners in policy dialogue and bringing together the operational arms of the United Nations system for a strengthened presence. Furthermore, the resident coordinator promotes the streamlining and integration of country level United Nations system operational support functions to generate economies of scale in line with the reforms of the Secretary-General.

108. Accordingly, the United Nations system at the country level needs strong leadership to fulfill its mandates, especially in large countries or those facing complex challenges. As elaborated in paragraph 55, in order to further enhance the effectiveness of the resident coordinator system, UNDP proposes to fund seven new country director positions within the 2006-2007 biennial support budget. Country directors will assume overall responsibility for, and coordination of, the operational and programmatic activities of UNDP, including leadership of the UNDP senior management team. It is expected that through this enhanced presence, UNDP will be able to more effectively support the United Nations resident coordinator and better contribute to the strengthening of United Nations country teams in line with the key results targeted by UNDGO.

109. Furthermore, recognizing capacity development as the central goal of development cooperation of the United Nations system (reiterated in resolution A/RES/59/250 on TCPR), UNDP needs to lead the United Nations country team in enhancing its support to developing countries to build and strengthen essential national capacities towards achieving the MDGs. In this context, the Executive Board in its decision 2005/26 approved the use of increasing amounts of target for resource assignment from the core (TRAC) 1.1.2 programme resources to specifically target cross cutting capacity building activities. This will support developing countries in contributing to the required enabling environment for the success of other development interventions by the wider United Nations system and other development partners.

110. Pursuant to the reforms of the Secretary-General in the medium to long term, the United Nations system continues to explore alternative models for its country level activities while maintaining the distinctive contribution of each United Nations organization. In this regard, UNDP, UNFPA and UNICEF are working to est blish joint office pilots. UNDP also provides global administrative and financial services to the United Nations system at the country level on a cost recovery basis. Where feasible, the approach to common premises and services is also on the rise.

111. For the 2006-2007 biennium, UNDP will build its country office capacity by using the same base and augmentation approach approved for the 2004-2005 biennium. Under this approach, the equivalent of one international post, one national officer post and one support staff post will continue to be related to the resident coordinator function for carrying out the responsibilities of UNDP in support of United Nations operational activities in all low and middle income countries. For net contributor countries, this will continue to be limited to one international post. Taking into account the related post and operating costs of this base capacity, UNDP continues to attribute 26 per cent of costs at the country level to support the operational activities of the United Nations, amounting to $120.8 million.

112. There is agreement, in the process of finalization, to adopt a cost-sharing formula to be used by UNDP and the Department of Peacekeeping Operations (DPKO) in those cases where the resident coordinator also acts as the DSRSG. The full implementation of the final agreement may result in further cost implications.

3. United Nations Volunteers

113. At its 2004 annual session, the Executive Board reviewed the latest report of the Administrator on the United Nations Volunteers (DP/2004/24). The report provided an overview of the principle characteristics and achievements as well as opportunities and challenges. It was organized according to the five strategic goals outlined in the UNDP MYFF, and focussed on those service lines where the United Nations Volunteers complements the comparative strength of UNDP and other partners. The report reflects the uniqueness of the organization's programme interventions in terms of its knowledge and grassroots experience; its ability to build local capacity and ownership based on best practices; and its commitment to fostering volunteerism as a catalyst for development.

114. Executive Board decision 2004/16 expressed appreciation for the important role played by the United Nations Volunteers, commending it for aligning its programme framework with the goals established in the MYFF. The Board expressed its support for further development of the role of the organization in the context of the report of the United Nations Secretary-General to the 60th session of the General Assembly in 2005;

115. The considerable growth of the programme during previous biennia in promoting volunteerism for development, including the mobilization of volunteers, is projected to continue during the remainder of the current biennium and in 2006-2007. In 2004 alone, more than 7 300 United Nations Volunteers of 160 different nationalities carried out more than 7 700 assignments in 140 different countries. The financial equivalent of all activities in the broader United Nations system context surpassed $140 million. Accordingly, programme activities for the current biennium are now estimated to exceed the initial estimates by more than 27 per cent.

116. With regard to the support budget, table 9 provides an overview of key indicators over time, including estimates and proposals for the current biennium 2004-2005 and for the next biennium 2006-2007. Indicators pertain to both regular resources and other resources; to posts financed from these resources; and to the average number of volunteer assignments programmed and managed per year.

117. As shown in the table, the level of activities in terms of average annual number of volunteer assignments is projected to increase further to around 8 000 in 2006-2007, representing a 55 per cent increase compared to the 2000-2001 average of 5,180. Over the same period, the total gross support budget proposed for the programme in 2006-2007, and comprising both regular and other resources, will increase by approximately 30 per cent.

118. Also reflected in table 9, income that offsets the gross regular resources costs combined with the other resources part of the support budget, increases by 96 per cent from $7.5 million in 2000-2001 to an estimated $14.7 million in 2006-2007. Summary table 4 highlights the proposed net reclassifications of one general service to international professional and one P3 to P5 level post.

Table 9. Overview of United Nations Volunteers resources and posts

Source of funding	2000-2001		2002-2003		2004-2005		2006-2007	
	Biennial support budget: financial *(millions of United States dollars)*							
Regular resources: gross	29.2		28.7		30.5		35.1	
Regular resources income	(2.0)		(4.2)		(4.5)		(4.6)	
Regular resources: net	27.2		24.5		26.0		30.5	
Other resources	5.5		5.7		8.0		10.1	
Total resources: gross	34.7		34.4		38.5		45.2	
Total resources: net	32.7		30.2		34.0		40.6	
	Biennial support budget: posts [a/]							
	P	GS	P	GS	P	GS	P	GS
Regular resources	27	47	27	47	28	46	28	42
Other resources	10	15	15	18	15	18	16	21
Total	37	62	42	65	43	64	44	63
	Volunteer assignments							
Total resources: Average number per year	5 180		5 300		5 500		8 000	

[a/] Excludes 60 Programme Officers and 60 Programme Assistants

4. Inter-Agency Procurement Services Office

119. The 2006-2007 funding arrangement for IAPSO will continue in the same vein as 2004-2005, with one international professional and one general service post funded from regular resources, and all other requirements funded on a self-financed basis. Funding from the biennial support budget compensates IAPSO for its interagency support work performed as the secretariat of the Inter-Agency Working Group on Procurement.

H. United Nations Capital Development Fund

120. In decision 2004/13, the Executive Board recognized the role of UNCDF in addressing the specific needs of least developed countries through its local governance and microfinance programmes in achieving the MDGs. It also noted the shortfall in achieving the UNCDF regular resources annual target of $30 million, as called for in decision 2002/26. In assessing the various options for a future business model for UNCDF (DP/2005/8), Executive Board decision 2005/5 supported the maintenance of UNCDF as an independent agency focussed on reducing poverty in least developed countries. The agreed upon business model called for the gradual financial integration of UNCDF into UNDP, specifically for the inclusion of the regular resources structure of UNCDF into the 2006-2007 UNDP biennial support budget. Accordingly, the 2006-2007 biennial support budget for UNCDF was developed by UNCDF and UNDP in line with Executive Board decision 2005/5 and the *UNCDF business plan 2005-2007: investing in the LDCs to achieve the Millennium Development Goals* (DP/2005/22), and is hereby reported on in response to Executive Board decision 2005/29.

121. The 2005-2007 UNCDF Business Plan builds on the niche and comparative advantages of the Fund. The plan foresees an expansion of UNCDF investments and technical support to least developed countries in areas of local development and microfinance, thus supporting an increased number of least developed countries in achieving the MDGs by 2015. The plan also outlines strategies for generating increased business and resources necessary to achieve this vision and for translating them into concrete development results. The implementation arrangements spell out how the Fund, as an independent legal entity, intends to strengthen its partnership with UNDP.

122. UNCDF, with support from UNDP, undertook a change management process and revised its organizational structure and staffing arrangements to position itself adequately for delivering on its mandate. As directed by the Executive Board in its decision 2005/5, the UNCDF administrative costs are being mainstreamed into the UNDP 2006-2007 biennial support budget. The revised headquarters structure will focus on strategic management and overall policy setting; business development; programme and knowledge management; and operations support. The UNCDF field presence will continue to be funded from other sources.

123. Table 10 provides a comparative overview of the UNCDF regular resources support budget and posts funded therein covering the 2000-2001 to 2006-2007 biennia. As shown in the table, the proposed UNCDF support budget will decrease by approximately 26 per cent from $13.6 million to $10.0 million. In this regard, the total number of positions decreases from 36 to 22.

Table 10. Overview of UNCDF Support Budgets and Posts

	2000-2001		2002-2003		2004-2005		2006-2007	
Source of funding	**Biennial support budget: financial (millions of United States dollars)**							
UNCDF regular resources	13.6		13.7		14.4		-	
UNDP regular resources	-		-		-		[1]0.0	
Total	**13.6**		**13.7**		**14.4**		**10.0**	
	Biennial support budget: posts							
	P	**G**	**P**	**G**	**P**	**G**	**P**	**G**
UNCDF regular resources	23	13	23	15	21	11	-	-
UNDP regular resources	-	-		-	-	-	13	9
Total	**23**	**13**	**23**	**15**	**21**	**11**	**13**	**9**

124. The 2006-2007 proposed support budget represents a 34.8 per cent real reduction over the 2004-2005 budget of $14.4 million. This reduction in real terms is, however, offset by inflation/mandatory salary-related increases, resulting in a proposed budget of $10.0 million. The overall net decrease is $4.4 million, of which $3.6 million relates to the headquarters programme support and $0.8 million relates to management and administration. Also, the 2006-2007 proposed support budget provides for 22 posts as compared with 32 in the previous biennium – a 31 per cent reduction. This includes the downgrading of two professional positions and the elimination of eight professional and two general service positions.

125. The UNCDF resource plan is presented in Table 11. The 2004-2005 resource plan has been revised to better reflect current levels of planned contributions and uses of programme resources for regular resources and other resources. For 2006-2007, the resource plan reflects the changes in the UNCDF business model. In this regard, the proposed budgetary support of $10.0 million from UNDP is reflected as a contribution to other resources of UNCDF. Similarly, the 2006-2007 proposed support budget for UNCDF is also shown under other resources.

126. Programme support activities at the country office and regional service center level are funded from both UNCDF regular and other resources. At the country level, the UNCDF targeted presence for 2006-2007 is for 23 national officers and 29 general service positions. At the regional service center level, the target is for 10 international professional, two national officers and three general service positions. The ability of UNCDF to fund and sustain this presence during the 2006-2007 biennium is contingent on successful implementation of the Business Plan and the mobilization of increasing levels of resources.

Table 11. UNCDF resource plan

(millions of United States dollars)

	2004-2005						2006-2007					
	Donor resources						Donor resources					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
Resources available	$	%	$	%	$	%	$	%	$	%	$	%
Opening balance[a/]	55.2		10.5		65.7		48.8		16.5		65.3	
Income												
Contributions[b/]	35.0		20.0		55.0		36.0		50.0		86.0	
Other[c/]	3.0		0.0		3.0		0.5		0.0		0.5	
Total	93.2		30.5		123.7		85.3		66.5		151.8	
Use of Resources – Programme and Support Activities												
A. Programmes	30.0	67.6	14.0	100.0	44.0	75.4	46.0	100.0	42.0	80.8	88.0	89.8
B. Programme support												
Headquarters[d/]	7.2	16.2	0.0	0.0	7.2	12.3	0.0	0.0	3.6	6.9	3.6	3.7
Total programme support	7.2	16.2	0.0	0.0	7.2	12.3	0.0	0.0	3.6	6.9	3.6	3.7
C. Management and administration	7.2	16.2	0.0	0.0	7.2	12.3	0.0	0.0	6.4	12.3	6.4	6.5
TOTAL	44.4	100.0	14.0	100.0	58.4	100.0	46.0	100.0	52.0	100.0	98.0	100.0
Closing balance	48.8		16.5		65.3		39.3		14.5		53.8	
Biennial support budget												
Total Gross/Net Budget Estimates	14.4		0.0		14.4		0.0		10.0		10.0	

a/ Includes the amounts of the required operational reserve of $22.6 million

b/ Includes $10.0 million from UNDP in budgetary support as other resources contributions during 2006-2007

c/ Includes interest and miscellaneous income

d/ In line with footnote b/, 2006-2007 programme support - headquarters and management and administration are shown under other resources

I. Estimated income to the budget

127. The estimated income offsetting the gross biennial support budget is comprised of three components: GLOC contributions, the income that United Nations Volunteers derives from providing volunteers to United Nations organizations, and an accounting linkage to voluntary contributions to offset the cost of reimbursement of staff income taxes on United Nations salaries.

128. Host governments obligation towards GLOC is estimated at the same level as 2004-2005, amounting to $51.2 million. The income relating to United Nations Volunteers is projected to increase by $0.1 million, to a total of $4.6 million. With respect to the offset amount for tax reimbursements, an increase of $0.8 million is projected, bringing the total amount that will be recovered through the accounting linkage to $15.3 million. The total estimated income for 2006-2007 is estimated at $71.2 million, representing an increase of $0.9 million in income compared to 2004-2005 support budget.

J. Security

129. UNDP is uniquely positioned at the centre of the United Nations country presence. It is at once the steward of the resident coordinator system and leader of United Nations development activities and this necessitates a highly visible presence that has become subjected to increasing security threats and risks.

130. In accordance with its role and in line with ongoing reforms for the entire United Nations system, the security requirements of UNDP – both substantively and financially – have increased tremendously since 2003, especially at the country level. While some requirements relate to increasing the capacity to effectively respond to security issues across UNDP, others are mandated directly by the United Nations through policy documents or General Assembly resolutions. The most recent resolution, A/RES/59/276, requires a strengthened and unified security management system to provide for the safety and security of United Nations staff, operations and premises.

131. UNDP participates in the approved package of global measures currently under implementation by the United Nations Department of Safety and Security (UNDSS). These global measures include participation in the United Nations field security coordination programme approved by General Assembly resolution A/RES/59/276 which, during the 2006-2007 biennium, requires UNDP to share common United Nations field-based security costs including 250 internationally recruited Field Security Coordination Officers (FSCOs) and 369 locally recruited staff and related operational support. In addition, the programme requires UNDP to share common United Nations headquarters-based FSCO related costs, including 47 international professional staff, 26 general service staff and related operational costs. The share of total common FSCO-related costs for UNDP is 17 per cent. Following the report of the Secretary-General on *Inter-organizational security measures: framework for accountability for the United Nations security management system* (A/57/365), Minimum Operational Security Standards (MOSS) compliance has been adopted and implemented as a standard United Nations security policy. In addition, a standardized access control proposal to ensure MOSS compliance at its New York premises is currently under review by UNDSS for subsequent General Assembly consideration.

132. Table 12 provides a summarized comparison of total UNDP security requirements for the 2006-2007 biennium versus the 2004-2005 biennium and is grouped into three main sections: United Nations mandated security costs (section I); direct security costs (section II); and security reserve (section III). United Nations mandated security costs are considered required costs under United Nations policy documents and General Assembly resolutions. For the 2006-2007 biennium, these directly relate to the field security coordination programme, MOSS compliance investments and the organization's estimated share of the standardized access control proposal for New York building locations.

133. Direct security costs are considered UNDP specific security costs that form an integral part of the biennial support budget. For the 2006-2007 biennium, these costs relate to internal operational capacity, MAIP, recurring security maintenance, evacuation/residential security measures and the share of UNDP reimbursable services to the United Nations for uniformed security guards at New York building locations.

134. As presented in table 12, the 2004-2005 biennial support budget incorporated $18.9 million relating to various security elements. Of this, $11.9 million was linked to the organization's participation in the initial package of measures introduced by the Secretary-General to strengthen the safety and security of all United Nations staff at the country level. This amount is presented in the UNDP resource plan (table 1) as a separate section entitled 'United Nations mandated security costs' and is no longer included in the 2004-2005 biennial support budget, bringing it into alignment with the proposed 2006-2007 biennial support budget.

135. As a result of the implementation of General Assembly resolutions A/RES/58/295 and A/RES/59/276, the share of United Nations mandated security costs borne by UNDP during the 2004-2005 biennium increased dramatically from $11.9 million to $19.2 million. While some of this $7.3 million in additional cost should be met from other resources funding, the ability of UNDP to absorb part of or all of the balance in the 2004-2005 biennial support budget needs to be fully assessed during the last quarter of 2005.

136. As a consequence of the August 2003 attack on the United Nations office in Baghdad, the Executive Board exceptionally approved a special security reserve of up to $11.5 million to fund additional protective measures in the 2004-2005 biennium, beyond the funding approved under the 2004-2005 biennial support budget. It has enabled UNDP to provide MOSS support to 132 country offices (of which 103 are currently reporting MOSS compliance). Additional protective measures include, but are not limited to: missions to assist country offices with MOSS compliance as requirements evolve, including technical assistance, threat assessment review and guidance; facilities strengthening including shatter resistant film on glass and improved perimeter security; technical equipment such as x-ray machines and metal detectors; relocation of office premises; and field security advisors to apply risk management methodology in specific country offices.

137. Section I of table 12 presents the three elements classified as United Nations mandated security costs during 2006-2007 biennium. Country office MOSS compliance assessments and investments ($5.3 million) for on site support, premises compliance, office relocations and security equipment will continue to be required during the 2006-2007 biennium. It is proposed that these costs be reflected as United Nations mandated security costs rather than in a security reserve as was the case for 2004-2005. These costs, along with costs associated with the organization's 2006-2007 shares of the field security coordination programme ($30 million) and the possibility of standardized access control for New York building locations that has yet to be fully considered by the General Assembly ($5.9 million), are estimated to be $41.2 million (gross). In line with the gradual proportionality strategy of UNDP, an estimated $10 million of the total requirements will be covered by other resources funding. UNDP proposes that the remaining amount of $31.2 million be treated as a separate requirement from regular resources, outside of the 2006-2007 biennial support budget, and be reflected as a distinct line in the resource plan entitled 'United Nations mandated security costs.'

138. Section II of table 12 shows elements of the security budget that will continue to be an integral part of the 2006-2007 biennial support budget and represents a $7.5 million increase over the 2004-2005 budget. Two additional international positions are proposed for the security unit to deal exclusively with field-related security matters, specifically common premises and field operations. Premium costs associated with the MAIP are expected to more than double, in line with United Nations estimates. In view of the need to consolidate overall MOSS compliance gains and ensure that recurring security maintenance costs are fully met, an increase of $2.8 million is proposed, of which approximately $2.7 million is earmarked for the country offices. Costs associated with evacuations and Minimum Operational Residential Security Standards (MORSS) are also expected to increase significantly over previously budgeted levels.

Table 12. Consolidated UNDP security budget

(thousands of United States dollars)

Section I – United Nations mandated security costs	2004-2005 Approved appropriations	Volume	Cost	2006-2007 Proposed
1. UNDP share of United Nations Field Security Coordination Programme (implemented by UNDSS)	11 866.0	16 669.9	1 493.5	30 029.3
2. MOSS compliance assessments and investments	0.0	5 000.0	253.1	5 253.1
3. UNDP share of standardized access control project for New York building locations	0.0	5 674.0	287.2	5 961.2
Total United Nations Mandated Security costs (Gross)	**11 866.0**	**27 343.9**	**2 033.8**	**41 243.7**
Other-resource funding	0.0	(10 000.0)		(10 000.0)
Total United Nations Mandated security costs (Net)	**11 866.0**	**17 343.9**	**2 033.8**	**31 243.7**
Shifted out of BSB in the resource plan	(11 866.0)			
United Nations mandated security costs requested in resource plan	**0.0**			**31 243.7**

Section II – Direct security costs	2004/2005 Approved Appropriations	Volume	Cost	Proposed
1. Security unit	1 916.6	849.5	173.1	2 939.2
2. Malicious Acts Insurance Programme	1 093.1	0.0	1 635.8	2 728.9
3. Recurring security maintenance	522.2	0.0	2 823.2	3 345.4
4. Evacuation, residential security measures, training	2 564.1	131.2	1 819.2	4 514.5
5. Headquarters related security reimbursement to the United Nations	900.0	0.0	49.3	949.3
Total direct security costs included in biennial support budget	**6 996.0**	**980.7**	**6 500.6**	**14 477.3**

Section III - Special security reserve		
Security reserve	11 500.0	0.0
Grand total security funding (gross)	**30 362.0**	**55 721.0**

Section IV Reconciliation with 2004-2005 biennial support budget

Grand total	30 362.0
Consisting of:	
Security reserve	11 500.0
Approved biennial support budget 2004-2005	18 862.0

III. Proposals for the 2006-2007 biennial support budget: UNIFEM

139. The budget estimates for UNIFEM are presented in line with the harmonization of budgets, and follow the same terminology and methodology as the UNDP support budget. A resource plan is also provided that is similar to that of UNDP – covering programmes, programme support, and management and administration. Also included are respective staffing and financial tables. In presenting his proposal for the 2006-2007 support budget for UNIFEM, the Administrator has taken into account staffing and operating requirements.

140. The 2006-2007 regular support budget of UNIFEM provides for the implementation of the remaining two years of the 2004-2007 MYFF as approved by the Executive Board in decision 2004/10. The MYFF not only covers the resource base required to fund UNIFEM in support of gender equality in the context of United Nations reform and the MDGs, but also outlines key results for enhancing development for women. UNIFEM continues to align its programming, structure and business processes with the MYFF to enhance effectiveness, capacity, and efficiency in achieving targeted results.

141. UNIFEM reviewed the first year of the MYFF implementation at its annual consultative committee meeting in February 2005. In the wake of this meeting, UNIFEM submitted *Implementing the multi-year funding framework, 2004* (DP/2005/24) for consideration by the Executive Board at its 2005 annual session. Based on internal assessment and feedback, the consultative committee indicated that UNIFEM is progressing in line with its strategic results framework and organizational effectiveness matrix.

142. Reports from the first year of MYFF implementation reflect 41 instances in which UNIFEM contributed to strengthening policies and laws to enhance women's empowerment and rights; 77 instances in which UNIFEM

contributed to strengthening the capacity of key institutions to deliver on commitments to gender equality; 64 instances in which the Fund expanded the capacity of gender equality advocates in governmental and nongovernmental organizations and networks to advocate for gender equality; and 16 instances in which it contributed to reversing harmful practices that discriminate against women and girls. The MYFF report also shows important progress in organizational effectiveness, particularly in achieving greater coherence and sustainability in programming and in enhancing UNIFEM contributions to United Nations reform through support of the resident coordinator system in mainstreaming gender equality into Common Country Assessment/UNDAF, MDGs and Poverty Reduction Strategic Papers (PRSP) processes.

143. The submission of DP/2005/24 to the Executive Board highlights progress and challenges in making the Fund more operationally autonomous while safeguarding the accountability of the Administrator, as stipulated in General Assembly resolution 39/125.

144. The income projection for 2006-2007 shown in table 13 anticipates a 15 per cent increase for regular resources over two years – the projected increase in regular resources contributions is based on a number of factors, including:

A projected 9.5 per cent increase in income from regular resources contributions between 2002-2003 and 2004-2005. For the 2006-2007 biennium, this projection has increased to 15 per cent in view of continued interest in increased donor support for UNIFEM, from existing and new donors;

Anticipation that results from the first year of the 2004-2007 MYFF (reflected in DP/2005/24) will further stimulate increased interest from existing and new donors in the regular resources funded programme of UNIFEM; and

A close and ongoing dialogue with all donors to ensure resource growth in line with stated targets.

145. For 2006-2007, an increase of 40 per cent is projected for other resources and is reasonable from the standpoint that, income from other resources contributions is estimated to increase by over 90 per cent between the biennia 2002-2003 and 2004-2005. This upward trend is attributed to a number of key UNIFEM programmes, most notably gender responsive budgeting, gender equality in post-conflict reconstruction, regional programmes on implementation of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and programmes to end violence against women. When the increase in other resources is combined with regular resources, the anticipated outcome is an overall increase of approximately 24 per cent. For 2006-2007, the proposed regular support budget reflects an increase of 10.2 per cent – a budget reduction in real terms – with increases related to mandatory International Civil Service Commission (ICSC) salary scale increases, rate increases in rent, post reclassifications and salary inflation as well as other operating costs. The volume reduction in operating expenses reflects a shift to increased proportionality between regular and other resources.

146. Overall, the proposed 2006-2007 support budget, amounting to $16.4 million, provides for 37 positions compared with 36 positions in the previous biennium. One new general service position is proposed. Also, three existing positions are proposed for reclassification from the P4 to P5, P3 to P4 and G6 to G7 levels to reflect the status and scope of responsibility of these three positions in line with the need to provide strengthened operational capacity in support of increased decentralization of responsibilities from UNDP to UNIFEM. This comes as a result of recently revised operational guidelines proposed between the two organizations. The costs associated with the new position and one reclassification are offset by a reduction in the reimbursement/contribution line. Under other resources, one additional position at the P3 level will be established. The proposed gross budget estimate for UNIFEM is presented in table 13.

Table 13. UNIFEM resource plan

	2004-2005						2006-2007					
	Donor resources						Donor resources					
	Regular Resources		Other Resources		Total Resources		Regular Resources		Other Resources		Total Resources	
Resources available	$	%	$	%	$	%	$	%	$	%	$	%
Opening balance a/	15.8		17.4		33.2		11.4		18.9		30.3	
Income												
Contributions	49.4		30.0		79.4		56.8		42.0		98.8	
Other b/	1.2		2.7		3.9		1.3		4.0		5.3	
Total	66.4		50.1		116.5		69.5		64.9		134.4	
Use of Resources - Programme and Support Activities												
A. Programmes	40.1	72.9	28.0	89.8	68.1	79.0	43.5	72.6	45.3	91.9	66.8	83.1
B. Programme support												
Country Offices			1.0	3.2	1.0	1.2	3.2	5.3	1.1	2.3	4.3	4.0
Headquarters	8.5	15.5	2.0	6.4	10.5	12.1	6.1	10.2	2.2	4.5	8.3	7.8
Total programme support	8.5	15.5	3.0	9.6	11.5	13.3	9.3	15.5	3.3	7.0	12.6	11.8
C. Management and administration	6.4	11.6	0.2	0.6	6.6	7.7	7.1	11.9	0.5	1.1	7.6	7.1
TOTAL	55.0	100.0	31.2	100.1	86.2	100.0	59.9	100.0	47.1	100.0	107.0	100.0
Closing balance	11.4		18.9		30.3		9.6		17.8		27.4	
Biennial Support Budget												
TOTAL GROSS/NET BUDGET ESTIMATES c/	14.9		3.2		18.1		16.4		3.8		20.2	

a/ includes the amounts of the required operational reserve of $8.9 million
b/ includes interest and miscellaneous income
c/ includes administrative and programme support

IV. Draft decision – UNDP

147. The Executive Board may wish to:

1. *Take note* of the report of the Administrator on the biennial support budget and related estimates for the biennium 2006-2007, as contained in document DP/2005/31, underpinning the resource requirements for the second two years of the multi-year funding framework (MYFF) for 2004-2007;

2. *Recall* decision 2005/5 on UNCDF, and *take note* of the inclusion of the biennial support budget requirements of UNCDF into the budget submission of UNDP as a separate appropriation line;

3. *Approve* gross appropriations in the amount of $729 056 300 for the purposes indicated in the table below, and *resolve* that the income estimates of $71 210 000 should be used to offset the gross appropriations, resulting in estimated net appropriations of $657 846 300;

4. *Take note* of the proposed base structure and augmentation capacity distribution for both headquarters and country offices, and *urge* the Administrator to continue to progressively realign the funding modality of UNDP support requirements towards proportional cost sharing between regular and other resources;

5. *Note with concern* the decline in the compliance levels for Government contributions towards local office costs, and *encourage* all host country Governments to meet their obligations in full;

6. *Authorize* the Administrator to redeploy resources between appropriations lines up to a maximum of 5 per cent of the appropriation line to which the resources are redeployed;

7. *Further endorse* the Administrator's proposal to reflect the security costs mandated by the United Nations as a separate line in the UNDP resource plan, and *approve* the amount of $31 243 700 from the regular resources of UNDP for the purposes of covering such costs.

A. 2006-2007 biennial support budget

(thousands of United States dollars)

Programme Support	
Country office	343 720.1
Headquarters	75 404.5
Subtotal—Programme Support	419 124.6
Management and Administration	138 953.4
Support to the operational activities of the United Nations	
Country offices	120 766.6
UNDGO	3 961.8
IAPSO	1 142.4
United Nations Volunteers	35 085.0
Subtotal—Support to the operational activities of the United Nations	160 955.8
Subtotal biennial support budget—UNDP	**719 033.8**
UNCDF	10 022.5
Total gross appropriations	729 056.3
Less estimated income	(71 210.0)
Estimated net appropriations	657 846.3

B. 2006-2007 security requirements

(thousands of United States dollars)

United Nations mandated security costs	31 243.7

V. Draft decision – UNIFEM

148. The Executive Board may wish to:

1. *Take note* of the report of the Administrator on the biennial support budget estimates for the biennium 2006-2007 for the United Nations Development Fund for Women as contained in document DP/2005/31;

2. *Approve* a gross appropriation for UNIFEM as follows:

2006-2007 biennial support budget
(*thousands of United States dollars*)

	UNIFEM
Total appropriation	16,374.4

Summary tables

Summary table 1: Proposed gross budget estimates by organizational unit within appropriation line and estimated income to the budget, 2006-2007

(thousands of United States dollars)

	2004-2005 APPROVED APPROPRIATIONS (DP/2003/29)	2004-2005 READJUSTED FOR SECURITY	VOLUME AMOUNT	VOLUME %	COST	2006-2007 ESTIMATES
A. PROGRAMME SUPPORT						
1. Country offices						
Africa	99 106.1	95 289.5	1 752.1	1.8	20 662.7	117 684.2
Arab States	29 498.1	28 192.7	606.0	2.1	3 606.5	32 465.2
Asia and the Pacific	54 050.0	52 048.3	1 728.3	3.3	8 620.8	62 397.4
Latin America and the Caribbean	37 434.2	36 757.9	597.1	1.6	4 375.3	41 730.2
Europe and the Commonwealth of Independent States	37 035.1	36 338.6	585.6	1.6	5 175.3	42 099.9
Country offices - Central	40 426.0	40 261.3	2 022.0	5.0	5 059.3	47 342.7
Subtotal programme support / country offices	297 649.5	288 868.4	7 291.3	2.5	47 599.9	343 719.6
2. Headquarters						
Operations Support Group	3 442.7	3 442.7	(644.7)	(18.7)	205.7	3 003.7
Bureau for Crisis Prevention and Recovery	7 307.0	7 307.0	(958.6)	(13.0)	691.2	7 119.7
Regional Bureau for Africa	12 729.8	12 720.8	(959.4)	(7.5)	529.1	12 590.5
Regional Bureau for Arab States	4 814.0	4 814.0	0.0	0.0	367.4	5 181.5
Regional Bureau for Asia and the Pacific	8 480.3	8 480.3	(598.8)	(7.1)	386.0	8 367.6
Regional Bureau for Latin America and the Caribbean	4 780.2	4 780.2	186.0	3.9	283.1	5 209.3
Regional Bureau for Europe and the Commonwealth of Independent States	5 327.7	5 327.7	(34.0)	(0.6)	408.5	5 702.2
Bureau for Development Policy	15 016.6	15 016.6	(2 080.4)	(13.9)	1 085.0	13 931.3
Special Unit for South-South Cooperation	3 463.2	3 463.2	(168.8)	(4.9)	293.6	3 587.8
Headquarters - Central	9 961.8	9 961.8	0.0	0.0	740.5	10 702.4
Subtotal programme support / headquarters	75 294.3	75 294.4	(5 268.5)	(7.0)	5 379.0	75 404.9
Total programme support	372 943.8	364 162.8	2 022.7	0.6	52 978.9	419 124.5
B. MANAGEMENT AND ADMINISTRATION						
Office of Administrator/Associate Administrator	5 503.3	5 503.3	708.1	12.9	464.3	6 672.7
Evaluation Office	2 839.6	2 839.6	0.0	0.0	466.8	3 306.4
Office of Audit and Performance Review - Headquarters	4 326.1	4 326.1	0.0	0.0	298.5	4 624.6
Office of Audit and Performance Review - Country offices	7 912.7	7 912.7	0.0	0.0	282.3	8 195.1
Bureau for Resources and Strategic Partnerships	19 051.9	19 051.9	(840.0)	(4.4)	2 102.6	20 314.5
Communications Office of the Administrator	9 671.0	9 671.0	(590.5)	(5.7)	787.3	9 867.9
Bureau of Management	43 526.7	43 526.6	(5 955.0)	(13.7)	3 094.7	40 628.3
Headquarters - Central	31 749.2	31 749.2	386.7	1.2	2 611.0	34 126.8
Country offices - Central	8 786.3	8 786.4	1 833.3	20.9	597.5	11 217.2
Total management and administration	133 366.8	133 366.8	(4 438.4)	(3.3)	10 025.1	138 953.5
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS						
Country offices	104 570.5	101 494.5	2 561.8	2.5	16 710.2	120 766.5
United Nations Development Group Office	3 153.2	3 153.2	577.0	18.3	231.6	3 961.7
Inter-Agency Procurement Services Office	956.1	956.1	0.0	0.0	386.4	1 342.5
United Nations Volunteers	30 479.0	30 479.1	(988.1)	(3.2)	5 594.1	35 085.1
Total support to operational activities of the United Nations	139 167.8	136 082.8	2 150.7	1.6	22 722.3	160 955.8
Subtotal	645 478.4	633 612.5	(265.9)	(0.0)	85 686.3	719 033.8
D. UNITED NATIONS CAPITAL DEVELOPMENT FUND						
United Nations Capital Development Fund	0.0	0.0	10 022.6		0.0	10 022.6
GROSS RESOURCES	645 478.4	633 612.5	9 757.6	1.5	85 686.3	729 056.4
ESTIMATED INCOME	(70 310.0)	(70 310.0)	(900.0)	1.3		(71 210.0)
NET RESOURCES	575 168.4	563 302.5	8 857.6	1.6	85 686.3	657 846.4

Summary table 2: Proposed gross budget estimates by expenditures category within appropriation line, 2006-2007

(thousands of United States dollars)

APPROPRIATION LINE/ORGANIZATIONAL UNIT	2004-2005 APPROVED APPROPRIATIONS (DP/2003/28)	2004-2005 READJUSTED FOR SECURITY	VOLUME AMOUNT	VOLUME %	COST	2006-2007 ESTIMATES
A. PROGRAMME SUPPORT						
1. Country offices						
Posts	211 227.4	211 227.4	4 495.2		11 431.0	185 068.6
Other staff cost	2 999.5	2 999.5	(77.3)		471.7	5 393.9
Consultants	676.2	676.2	(1.2)		87.2	915.3
Travel	5 521.8	5 521.8	19.2		884.3	11 077.3
Operating expenses	59 689.9	59 689.9	2 977.3		4 161.8	11 649.9
Furniture and equipment	7 985.0	7 985.0	(31.7)		424.5	8 157.0
Reimbursements/contributions	9 589.7	808.7	0.0		1 278.3	8 987.2
Subtotal programme support / country offices	297 689.5	288 868.5	7 391.6	2.5	87 360.0	381 750.1
2. Headquarters						
Posts	59 760.8	59 760.8	(4 421.2)		4 401.3	59 689.7
Other staff costs	906.2	906.2	0.0		39.6	639.8
Consultants	1 179.1	1 179.1	(418.5)		15.4	746.0
Travel	2 554.7	2 554.6	(429.0)		121.6	2 247.4
Operating expenses	9 763.5	9 763.5	0.0		412.2	10 175.7
Furniture and equipment	1 431.4	1 431.4	0.0		58.4	1 489.9
Reimbursements/contributions	0.0	0.0	0.0		0.0	0.0
Subtotal programme support / headquarters	75 594.3	75 594.2	(5 268.6)	(7.0)	5 178.6	75 604.6
B. MANAGEMENT AND ADMINISTRATION						
Posts	77 750.9	77 750.8	(4 454.8)		6 842.8	79 638.6
Other staff cost	2 652.2	2 652.2	(240.0)		140.6	2 566.5
Consultants	4 055.9	4 055.9	(74.0)		241.2	4 223.1
Travel	2 982.6	2 982.6	(58.0)		195.7	3 120.3
Operating expenses	31 042.3	31 042.3	(2 991.7)		2 124.5	30 575.2
Furniture and equipment	1 814.6	1 814.6	2 980.0		297.5	5 092.9
Reimbursements/contributions	13 068.3	13 068.3	(0.0)		714.2	13 782.5
Subtotal management and administration	133 366.8	133 366.6	(4 438.4)	(3.3)	10 425.2	139 953.4
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS						
Posts	97 379.6	97 379.6	1 434.2		16 014.7	114 829.5
Other staff costs	1 431.8	1 431.7	(27.1)		215.0	1 619.6
Consultants	493.7	493.7	(0.8)		63.2	556.0
Travel	2 792.6	2 792.7	0.7		344.0	3 244.0
Operating expenses	27 408.3	27 408.3	346.5		4 623.0	32 777.8
Furniture and equipment	1 378.6	1 378.6	(11.1)		157.6	1 525.2
Reimbursements/contributions	6 280.1	6 280.0	0.0		1 162.2	4 515.1
Subtotal support to operational activities of the United Nations	139 167.8	139 082.6	2 130.9	1.5	22 722.1	160 955.7
D. UNITED NATIONS CAPITAL DEVELOPMENT FUND						
United Nations Capital Development Fund						
Posts	0.0	0.0	7 561.6		0.0	7 561.6
Other staff cost	0.0	0.0	91.6		0.0	91.6
Consultants	0.0	0.0	86.6		0.0	86.6
Travel	0.0	0.0	150.3		0.0	150.3
Operating expenses	0.0	0.0	533.1		0.0	533.1
Furniture and equipment	0.0	0.0	96.2		0.0	96.2
Reimbursements/contributions	0.0	0.0	1 282.7		0.0	1 282.7
Subtotal United Nations Capital Development Fund	0.0	0.0	10 822.5		0.0	10 822.5
TOTAL						
Posts	446 127.3	446 127.2	4 545.2	1.0	50 690.5	551 363.4
Other staff cost	7 679.5	7 679.5	(252.9)	(3.3)	864.7	8 291.3
Consultants	6 404.9	6 404.9	(447.5)	(7.0)	827.0	6 784.4
Travel	13 851.7	13 851.7	(516.8)	(3.7)	1 380.4	14 715.3
Operating expenses	127 904.0	127 904.0	1 967.2	1.5	16 333.5	146 404.7
Furniture and equipment	14 566.7	14 566.6	2 972.4	20.4	937.8	18 476.8
Reimbursements/contributions	28 944.1	17 078.0	1 282.7	7.5	3 155.2	25 516.0
TOTAL GROSS APPROPRIATIONS	645 478.4	633 612.0	9 753.6	1.5	93 686.2	729 551.9
ESTIMATED INCOME	(70 310.0)	(70 310.0)	(900.0)	1.3	0.0	(71 210.0)
NET RESOURCES	575 168.4	563 302.0	8 853.6	1.6	93 686.2	657 341.9

Summary table 3: Estimated regional distribution of programmes and programme support, 2006-2007

(millions of United States dollars)

Use of resources: Programme and support activities	2004-2005								2006-2007							
	Donor Resources				Local Resources				Donor Resources				Local Resources			
	Regular resources	Other resources (Donor Co-financing)	Total Donor Resources		Other resources (Government Cost sharing)		Total Resources		Regular resources	Other resources (Donor Co-financing)	Total Donor Resources		Other resources (Government Cost sharing)		Total Resources	
	$	$	$	%	$	%	$	%	$	$	$	%	$	%	$	%
AFRICA																
1. Programmes	453.6	248.4	701.8		11.6		713.0		498.0	998.6	1 396.0		800.0		1 396.0	
2. Programme support																
Country offices	82.7	17.0	99.7		0.3		99.0		103.9	20.0	123.9		5.0		128.9	
Headquarters	11.7	1.3	13.0				13.0		11.6	2.2	13.8		0.6		14.4	
Subtotal programme support	93.4	18.3	111.7		0.3		112.0		115.5	22.2	137.7		5.6		143.3	
Total Africa	546.4	266.7	813.1	20.7	11.9	0.6	825.0	14.0	613.5	420.2	1 233.7	23.6	305.6	10.5	1 539.3	18.9
ARAB STATES																
1. Programmes	75.0	403.1	478.1		80.4		558.5		79.0	361.0	440.0		120.1		560.1	
2. Programme support																
Country offices	17.1	18.4	35.5		1.5		39.0		21.4	20.2	41.6		3.4		45.0	
Headquarters	4.6	2.1	6.7		0.4		7.1		4.8	3.3	8.1		0.5		8.6	
Subtotal programme support	21.7	20.5	42.2		1.9		46.1		26.2	23.5	49.7		3.9		53.6	
Total Arab States	96.7	423.6	518.3	13.1	82.3	4.0	612.6	10.4	105.2	384.5	489.7	9.3	124.2	4.3	613.9	7.5
ASIA AND THE PACIFIC																
1. Programmes	340.0	496.1	836.1		70.9		914.7		352.0	795.0	1 147.0		55.0		1 202.0	
2. Programme support																
Country offices	45.1	23.9	47.2		2.9		95.2		53.3	30.6	84.1		3.1		87.2	
Headquarters	7.8	1.5	9.1		0.1		9.4		7.9	2.3	10.1		0.1		10.7	
Subtotal programme support	51.7	25.4	76.5		2.3		78.0		61.3	32.9	94.2		3.2		97.4	
Total Asia and the Pacific	391.1	521.5	920.6	23.4	72.7	3.7	993.1	16.9	413.1	827.9	1 241.2	23.6	58.2	1.9	1 297.4	15.9
LATIN AMERICA AND THE CARIBBEAN																
1. Programmes	46.0	833.9	880.9		1 640.7		2 522.6		51.0	794.0	845.0		2 145.0		2 990.0	
2. Programme support																
Country offices	25.3	9.5	32.8		40.5		73.3		28.1	15.4	43.5		44.0		87.5	
Headquarters	4.6	2.1	6.7		4.9		10.4		4.9	1.9	6.7		3.3		12.0	
Subtotal programme support	27.7	10.6	38.3		45.9		84.2		32.9	17.3	50.2		49.1		99.3	
Total Latin America and the Caribbean	73.7	844.5	920.2	23.6	1 686.6	89.6	2 606.8	35.8	83.9	811.3	895.2	8.4	2 194.1	78.8	3 089.3	34.1
EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES																
1. Programmes	73.0	195.1	268.1		64.7		332.8		78.0	296.0	374.0		102.0		476.0	
2. Programme support																
Country offices	29.7	10.4	40.1		4.0		50.1		35.5	23.5	59.0		4.1		63.1	
Headquarters	4.9	2.3	7.2		0.5		7.7		5.2	2.7	7.9		0.5		8.4	
Subtotal programme support	34.6	12.7	47.3		4.5		57.8		40.7	26.2	66.9		4.6		71.5	
Total Europe and the Commonwealth of Independent States	107.6	207.8	315.4	8.1	69.2	3.5	390.6	6.6	118.7	322.2	440.9	8.4	106.6	3.7	547.5	6.7
INTERREGIONAL, GLOBAL AND OTHER																
1. Programmes	126.0	196.2	322.2				322.2		152.0	196.0	348.0				348.0	
2. Programme support																
Headquarters	28.0	38.1	66.1				66.1		26.4	117.4	43.8				43.8	
Total interregional, global and others	154.0	234.3	388.3	9.9			388.3	6.6	178.4	453.4	391.8	17.3			391.8	7.3
CENTRALLY MANAGED SUPPORT																
Country offices	39.8	6.9	46.7		4.4		51.1		46.5	9.0	55.5		4.4		60.2	
Headquarters	9.3	0.6	9.9		0.7		10.5		10.0	7.0	11.0		0.5		11.5	
Subtotal programme centrally managed support	49.1	7.5	56.6	1.4	4.7	0.2	61.3	1.0	56.5	16.0	66.6	1.3	4.9	0.2	71.7	0.9
TOTAL UNDP																
1. Programmes	1 121.6	1 473.0	2 594.6		1 870.3		4 477.0		1 190.0	2 542.0	4 032.0		1 422.1		4 454.1	
2. Programme support																
Country offices	254.9	92.1	327.9		35.2		362.2		289.2	118.7	407.9		92.0		499.9	
Headquarters	70.5	47.2	117.7		8.2		125.9		78.6	50.8	121.4		7.5		128.9	
Subtotal programme support	325.4	139.3	444.7		43.4		488.1		350.8	168.5	529.3		99.5		628.8	
Total UNDP Programme and Programme Support	1 429.4	2 012.3	3 438.7	87.1	1 956.4	99.4	5 378.1	91.3	1 540.8	3 071.5	4 561.3	80.9	2 951.8	95.4	7 453.1	91.3
3. Management and administration	127.0	17.8	144.8	3.7	11.0	0.6	155.8	2.6	135.1	29.8	162.9	3.1	14.8	0.5	177.7	2.2
4. Support to operational activities of the United Nations	154.9	195.8	350.7	8.9	...	...	350.7	5.9	183.5	296.2	477.7	9.1	...	...	477.7	5.9
5. United Nations Capital Development Fund	...	...	...	...	...	...	...	...	9.6	...	9.6	0.2	...	...	9.6	0.1
Total use of resources: programme and support activities	1 711.3	2 225.7	3 934.2	99.7	1 956.4	100.0	5 884.4	99.8	1 873.8	3 337.5	5 211.3	99.3	2 966.6	99.9	8 177.9	99.5
Use of resources: support																
6. United Nations Volunteers	13.9	...	13.9	0.3	...	...	13.9	0.2	31.2	8.6	37.8	0.7	3.4	0.1	41.2	0.5
TOTAL USE OF RESOURCES	1 726.2	2 225.7	3 965.9	100.0	1 956.4	100.0	5 898.3	100.0	1 905.0	3 346.1	5 249.1	100.0	2 970.0	100.0	8 159.1	100.0

Summary table 4: Proposed changes in regular resource post requirements, 2006-2007

Organizational unit	2004-2005	International Professional category and above								National Professional	GS and other Categ.	Total	2006-2007
		ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total				
2004-2005 approved posts	3106	10	57	156	193	121	73	9	617	617	2072	3306	
2006-2007 VOLUME													
A. Programme support													
1 Country offices													
Africa	1010	-	-	2	-	2	-	-	4	(2)		2	1012
Arab States	238	-	-	1	-	1	-	-	2		(6)	(4)	234
Asia and the Pacific	625	-	1	1	-	2	-	-	4			4	629
Latin America and the Caribbean	271	-	-	1	(1)	1	-	-	1		(1)		271
Europe and the Commonwealth of Independent States	340	-	-	1	-	1	-	-	2		(4)	(2)	338
Country Offices Central	171	-	-	-	-	2	-	-	2			2	173
Total (net)	2655	-	1	6	(1)	9	-	-	15	(2)	(11)	2	2657
2 Headquarters													
Operations Support Group	9	-	-	-	(1)	-	-	-	(1)	-	(2)	(2)	7
Bureau for Crisis Prevention and Recovery	21	-	-	-	(1)	-	-	-	(1)	-	(3)	(4)	17
Regional Bureau for Africa	37	-	-	-	(1)	(1)	-	-	(2)	-	(1)	(3)	34
Regional Bureau for Arab States	13	-	-	-	-	-	-	-	-	-	-	-	13
Regional Bureau for Asia and the Pacific	23	-	-	-	-	-	(1)	-	(1)	-	(1)	(2)	21
Regional Bureau for Latin America and the Caribbean	13	-	-	-	-	1	-	-	1	-	(1)	-	13
Regional Bureau for Europe and the CIS	16	-	-	-	-	-	-	-	-	-	-	-	16
Bureau for Development Policy	38	-	-	(1)	4	(1)	(5)	1	(2)	-	(6)	(8)	30
Special Unit for South-South cooperation	11	-	-	-	-	-	-	-	-	-	(1)	(1)	10
Total (net)	181	-	-	(1)	1	(1)	(6)	1	(6)	-	(14)	(20)	161
Total Programme Support	2836	-	1	5	-	8	(6)	1	9	(2)	(25)	(18)	2818
B. Management and administration													
Office of the Administrator/Associate Administrator	13	-	-	1	-	1	-	-	2	-	(1)	1	14
Evaluation Office	7	-	-	-	-	-	-	-	-	-	-	-	7
Office of Audit and Performance Review - Headquarters	11	-	-	-	-	-	-	-	-	-	-	-	11
Office of Audit and Performance Review - Country Offices	23	-	-	-	-	-	-	-	-	-	-	-	23
Communications Office of the Administrator	20	-	-	-	-	-	-	(1)	(1)	-	(1)	(2)	18
Bureau for Resources and Strategic Partnerships	45	-	-	-	(1)	(1)	-	-	(2)	-	-	(2)	43
BoM/Directorate, Planning and Budgeting, and Legal	31	-	-	(1)	(1)	-	-	-	(2)	-	(2)	(4)	27
BoM/Office of Human Resources	31	-	-	-	-	-	-	-	-	-	(10)	(10)	21
BoM/Office of Finance and Administration	53	-	-	-	-	-	-	(1)	(1)	-	(8)	(9)	44
BoM/Office of Information Systems and Technology	27	-	-	-	-	(1)	(1)	-	(2)	-	(3)	(5)	22
Headquarters - Central	-	-	-	-	-	-	-	-	-	-	2	2	2
Country offices - Central	9	-	-	-	-	-	-	-	-	-	10	10	19
Total (net)	264	-	-	-	(2)	(1)	(1)	(2)	(6)	-	(12)	(19)	245
C. Support to Operational Activities of the United Nations													
Country offices													
United Nations Development Group Office	10	-	-	-	-	1	-	-	1	-	1	2	12
Inter-Agency Procurement Services Office	2	-	-	-	-	-	-	-	-	-	-	-	2
United Nations Volunteers	194	-	-	-	-	-	-	(1)	(1)	-	(1)	(1)	193
Total (net)	206	-	-	-	-	1	-	(1)	-	-	(2)	(2)	204
D. United Nations Capital Development Fund	-	-	-	1	3	6	2	1	13	-	9	22	22
Total: Post increases/decreases (net)		-	2	8	4	10	(7)	(1)	16	(2)	(31)	(17)	3289

Summary table 4 (continued)

Africa						1	(1)					
Arab States												
Asia and the Pacific			1			(1)						
Latin America and the Caribbean												
Europe and the Commonwealth of Independent States												
Country Offices Central												
Total (net)	0	-	1	-	-	-	(1)	-	-	-	-	-
C. Headquarters												
Operations Support Group												
Bureau for Crisis Prevention and Recovery								1	1		(1)	
Regional Bureau for Africa												
Regional Bureau for Arab States												
Regional Bureau for Asia and the Pacific						1	(1)					
Regional Bureau for Latin America and the Caribbean			(1)									
Regional Bureau for Europe and the CIS												
Bureau for Development Policy		2	(3)	1	1	(1)						
Special Unit for South-South cooperation				1	(1)							
Total (net)		-	2	(4)	1	1	(2)	1	1	-	(1)	-
Total Programme Support	0	-	2	(3)	2	1	(1)	1	1	-	(1)	-
B. Management and administration												
Office of the Administrator/Associate Administrator										8		
Evaluation Office							1	1	2		(2)	
Office of Audit and Performance Review - Headquarters												
Office of Audit and Performance Review - Country Offices												
Communications Office of the Administrator			1	(1)								
Bureau for Resources and Strategic Partnerships			1	(1)								
BoM/Directorate, Planning and Budgeting, and Legal						(1)	1		2		(2)	
BoM/Office of Human Resources												
BoM/Office of Finance and Administration						1		(1)				
BoM/Office of Information Systems and Technology					1	(1)		1	1		(1)	
Headquarters - Central												
Country offices - Central												
Total (net)	0	-	-	2	(1)	(1)	4	1	5	-	(5)	-
C. Support to Operational Activities of the United Nations												
Country offices												
United Nations Development Group Office												
Inter-Agency Procurement Services Office					2	1	(1)		1		(1)	
United Nations Volunteers												
Total (net)	66	-	-	-	2	-	(1)	-	1	-	(1)	-
D. United Nations Capital Development Fund												
Total: Post reclassifications			2	(1)	4	-	-	2	7	-	(7)	-
Total changes (net)			4	-	8	10	(7)	5	23	(2)	(18)	(17)
2006-2007 PROPOSED CHANGES		10	61	161	201	131	66	10	640	615	2,034	3,289

Summary Table 5: Estimated distribution of posts by source of funds and organizational unit, 2006-2007

Source of funds Organizational unit	International Professional category and above USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	Nat. Prof.	GS and Other Categ.	Grand Total
A. Programme support											
1. Country offices											
Africa											
2004-2005											
Regular resources	0	11	32	49	28	12	0	132	201	677	1,010
Other resources related to programme	0	0	1	0	1	1	0	3	102	223	328
Total	0	11	33	49	29	13	0	135	303	900	1,338
2006-2007											
Regular resources	0	11	34	49	31	11	0	136	199	677	1,012
Other resources related to programme	0	0	1	0	1	1	0	3	104	233	340
Total	0	11	35	49	32	12	0	139	303	906	1,352
Arab States											
2004-2005											
Regular resources	0	5	12	15	6	2	0	40	49	149	238
Other resources related to programme	0	0	0	0	2	3	0	5	52	119	176
Total	0	5	12	15	8	5	0	45	101	268	414
2006-2007											
Regular resources	0	5	13	15	5	2	0	42	49	153	244
Other resources related to programme	0	0	0	0	2	3	0	5	52	135	192
Total	0	5	13	15	9	5	0	47	101	288	436
Asia and the Pacific											
2004-2005											
Regular resources	0	10	18	27	9	9	0	73	166	446	685
Other resources related to programme	0	0	0	1	16	1	0	18	107	278	403
Total	0	10	18	28	25	10	0	91	213	724	1,028
2006-2007											
Regular resources	0	11	20	27	10	9	0	77	166	446	629
Other resources related to programme	0	0	0	1	16	1	0	18	107	278	403
Total	0	11	20	28	26	10	0	95	213	724	1,032
Latin America and the Caribbean											
2004-2005											
Regular resources	0	1	23	17	0	3	0	46	74	151	271
Other resources related to programme	0	0	0	5	2	1	0	8	87	267	362
Total	0	1	23	22	2	4	0	54	161	418	633
2006-2007											
Regular resources	0	1	24	16	1	3	0	47	74	150	271
Other resources related to programme	0	0	0	6	2	1	0	9	87	268	364
Total	0	1	24	22	3	4	0	56	161	418	635
Europe and the Commonwealth of Independent States											
2004-2005											
Regular resources	0	2	18	13	9	3	0	45	75	220	340
Other resources related to programme	0	0	0	4	6	1	0	11	105	157	273
Total	0	2	18	17	15	4	0	56	180	377	613
2006-2007											
Regular resources	0	2	19	13	10	3	0	47	75	216	338
Other resources related to programme	0	0	0	4	6	1	0	11	105	161	277
Total	0	2	19	17	16	4	0	58	180	377	615
Country offices - Central											
2004-2005											
Regular resources	0	1	3	5	16	6	0	31	41	101	173
Other resources related to programme	0	0	0	3	1	1	0	5	14	55	76
Total	0	1	3	8	17	7	0	36	55	156	247
2006-2007											
Regular resources	0	1	3	3	18	6	0	31	41	101	173
Other resources related to programme	0	0	0	5	1	1	0	7	14	55	76
Total	0	1	3	8	19	7	0	38	55	156	249
Total, A.1 Programme support - Country offices											
2004-2005											
Regular resources	0	32	106	124	96	35	0	393	546	1,744	2,683
Other resources related to programme	0	0	1	13	28	6	0	52	467	1,099	1,618
Total - A.1	0	32	107	138	96	43	0	417	1,013	2,843	4,273
2006-2007											
Regular resources	0	33	113	123	77	34	0	380	544	1,733	2,657
Other resources related to programme	0	0	1	16	28	5	0	53	469	1,110	1,632
Total - A.1	0	33	114	139	105	42	0	433	1,013	2,843	4,289

Summary table 5 (continued)

Source of funds/ Organizational unit	International Professional category and above: USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and Other Categ.	Grand Total
2. Headquarters											
Operations Support Group											
2004-2005											
Regular resources	0	1	0	3	1	1	0	6	0	3	9
Other resources related to programme	0	0	1	0	1	0	0	2	0	0	2
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	1	3	2	1	0	8	0	3	11
2006-2007											
Regular resources	0	1	0	2	1	1	0	5	0	2	7
Other resources related to programme	0	0	1	0	1	0	0	2	0	0	2
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	1	2	2	1	0	7	0	2	9
Bureau for Crisis Prevention and Recovery											
2004-2005											
Regular resources	1	1	2	3	2	3	1	13	0	8	21
Other resources related to programme	0	0	1	0	0	1	2	4	0	2	6
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	1	1
Total	1	1	3	3	2	4	3	17	0	11	28
2006-2007											
Regular resources	1	1	2	2	2	3	2	13	0	4	17
Other resources related to programme	0	0	1	1	0	1	2	5	0	5	10
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	1	1
Total	1	1	3	3	2	4	4	18	0	10	28
Regional Bureau for Africa											
2004-2005											
Regular resources	1	2	4	8	3	0	0	18	0	19	37
Other resources related to programme	0	0	0	0	2	1	0	3	0	0	3
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	1	2	4	8	5	1	0	21	0	19	40
2006-2007											
Regular resources	1	2	4	7	2	0	0	16	0	19	54
Other resources related to programme	0	0	0	1	3	1	0	5	0	1	6
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	1	2	4	8	5	1	0	21	0	19	40
Regional Bureau for Arab States											
2004-2005											
Regular resources	1	1	2	2	1	0	0	7	0	6	13
Other resources related to programme	0	0	1	4	0	1	0	6	0	2	8
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	1	1	3	6	1	1	0	13	0	8	21
2006-2007											
Regular resources	1	1	2	2	1	0	0	7	0	6	13
Other resources related to programme	0	0	1	5	0	1	0	7	0	3	10
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	1	1	3	7	1	1	0	14	0	9	23
Regional Bureau for Asia and the Pacific											
2004-2005											
Regular resources	1	1	3	3	3	2	0	13	0	10	23
Other resources related to programme	0	0	0	0	0	1	0	1	0	1	2
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	1	1	3	3	3	3	0	14	0	11	25
2006-2007											
Regular resources	1	1	3	3	4	0	0	12	0	9	21
Other resources related to programme	0	0	0	0	1	1	0	2	0	2	4
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	1	1	3	3	5	1	0	14	0	11	25
Regional Bureau for Latin America and the Caribbean											
2004-2005											
Regular resources	1	1	2	1	1	0	0	6	0	7	13
Other resources related to programme	0	0	1	4	3	0	0	8	0	3	11
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	1	1	3	5	4	0	0	14	0	10	24
2006-2007											
Regular resources	1	1	1	2	2	0	0	7	0	6	13
Other resources related to programme	0	0	1	4	3	0	0	8	0	5	13
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	1	1	2	6	5	0	0	15	0	11	26

Summary table 5 (continued)

Source of funds/ Organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat Prof	GS and Other Categ	Grand Total
Regional Bureau for Europe and the Commonwealth of Independent States											
2004-2005											
Regular resources	1	1	1	2	3	0	0	8	0	8	16
Other resources related to programme	0	0	0	2	2	0	0	4	0	3	7
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	1	1	1	4	5	0	0	12	0	11	23
2006-2007											
Regular resources	1	1	1	2	3	0	0	8	0	8	16
Other resources related to programme	0	0	0	2	2	0	0	4	0	3	7
Other resources related to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	1	1	1	4	5	0	0	12	0	11	23
Bureau for Development Policy											
2004-2005											
Regular resources	1	4	6	0	3	9	0	23	0	15	38
Other resources related to programme	0	1	6	14	5	3	0	29	0	13	42
Other resources related to reimbursement	0	0	0	0	0	1	0	1	0	1	2
Total	1	5	12	14	8	13	0	53	0	29	82
2006-2007											
Regular resources	1	6	2	5	3	3	1	21	0	9	30
Other resources related to programme	0	1	8	12	5	4	1	31	0	19	50
Other resources related to reimbursement	0	0	0	0	0	1	0	1	0	1	2
Total	1	7	10	17	8	8	2	53	0	29	82
Special Unit for South-South Cooperation											
2004-2005											
Regular resources	0	1	1	1	2	1	0	6	0	5	11
Other resources related to programme								0			0
Other resources related to reimbursement								0			0
Total	0	1	1	1	2	1	0	6	0	5	11
2006-2007											
Regular resources	0	1	1	2	1	1	0	6	0	4	10
Other resources related to programme	0	0	0	1	0	0	0	1	0	0	1
Other resources related to reimbursement								0			0
Total	0	1	1	3	1	1	0	7	0	4	11
Total: A.2 Programme support - Headquarters											
2004-2005											
Regular resources	7	13	21	23	19	16	1	100	0	81	181
Other resources related to programme	0	1	10	24	13	7	2	57	0	24	81
Other resources related to reimbursement	0	0	0	0	0	1	0	1	0	2	3
Total - A.2	7	14	31	47	32	24	3	158	0	107	265
2006-2007											
Regular resources	7	15	16	27	19	8	3	95	0	66	161
Other resources related to programme	0	1	12	26	15	8	3	65	0	38	103
Other resources related to reimbursement	0	0	0	0	0	1	0	1	0	2	3
Total - A.2	7	16	28	53	34	17	6	161	0	106	267
Total: A. Programme support											
2004-2005											
Regular resources	7	45	127	147	87	51	1	465	546	1 825	2 836
Other resources related to programme	0	1	11	39	41	15	2	109	467	1 123	1 699
Other resources related to reimbursement	0	0	0	0	0	1	0	1	0	2	3
Total - A	7	46	138	186	128	67	3	575	1 013	2 950	4 538
2006-2007											
Regular resources	7	48	129	150	96	42	3	475	544	1 799	2 818
Other resources related to programme	0	1	13	42	43	16	3	118	469	1 148	1 735
Other resources related to reimbursement	0	0	0	0	0	1	0	1	0	2	3
Total - A	7	49	142	192	139	59	6	594	1 013	2 949	4 556
B. Management and Administration											
Office of the Administrator/Associate Administrator											
2004-2005											
Regular resources	2	1	1	1	0	0	0	5	0	8	13
Other resources related to programme	0	0	0	1	2	1	0	4	0	3	7
Other resources related to reimbursement	0	0	0	0	1	0	0	1	0	0	1
Total	2	1	1	2	3	1	0	10	0	11	21
2006-2007											
Regular resources	2	1	2	1	1	0	0	7	0	7	14
Other resources related to programme	0	0	1	0	2	1	0	4	0	5	9
Other resources related to reimbursement	0	0	0	0	1	0	0	1	0	0	1
Total	2	1	3	1	4	1	0	12	0	12	24

Summary table 5 (continued)

Source of funds/ Organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and Other Categ.	Grand Total
Evaluation Office											
2004-2005											
Regular resources	0	1	1	2	0	0	0	4	0	3	7
Other resources related to programme								0			0
Other resources related to reimbursement								0			0
Total	0	1	1	2	0	0	0	4	0	3	7
2006-2007											
Regular resources	0	1	1	2	0	1	1	6	0	1	7
Other resources related to programme								0			0
Other resources related to reimbursement								0			0
Total	0	1	1	2	0	1	1	6	0	1	7
Office of Audit and Performance Review - Headquarters											
2004-2005											
Regular resources	0	1	0	1	4	1	0	7	0	4	11
Other resources related to programme	0	0	0	0	3	1	0	4	0	1	5
Other resources related to reimbursement	0	0	0	2	5	0	0	7	0	2	9
Total	0	1	0	3	12	2	0	18	0	7	25
2006-2007											
Regular resources	0	1	0	1	4	1	0	7	0	4	11
Other resources related to programme	0	0	0	0	3	1	0	4	0	1	5
Other resources related to reimbursement	0	0	0	2	5	0	0	7	0	2	9
Total	0	1	0	3	12	2	0	18	0	7	25
Office of Audit and Performance Review - Country offices											
2004-2005											
Regular resources	0	0	0	3	6	0	0	9	11	3	23
Other resources related to programme								0	0		0
Other resources related to reimbursement								0			0
Total	0	0	0	3	6	0	0	9	11	3	23
2006-2007											
Regular resources	0	0	0	3	6	0	0	9	11	3	23
Other resources related to programme								0	0		0
Other resources related to reimbursement								0			0
Total	0	0	0	3	6	0	0	9	11	3	23
Communications Office											
2004-2005											
Regular resources	0	1	0	5	3	2	2	13	0	7	20
Other resources related to programme						0		0			0
Other resources related to reimbursement								0			0
Total	0	1	0	5	3	2	2	13	0	7	20
2006-2007											
Regular resources	0	1	1	4	3	2	1	12	0	6	18
Other resources related to programme	0	0	0	0	0	0	1	1	0	1	2
Other resources related to reimbursement								0			0
Total	0	1	1	4	3	2	2	13	0	7	20
Bureau for Resources and Strategic Partnerships											
2004-2005											
Regular resources	0	2	8	9	3	0	1	23	0	22	45
Other resources related to programme	1	1	1	7	6	4	0	20	0	6	26
Other resources related to reimbursement	0	0	0	1	1	0	1	3	0	4	7
Total	1	3	9	17	10	4	2	46	0	32	78
2006-2007											
Regular resources	0	2	9	7	2	0	1	21	0	22	43
Other resources related to programme	1	1	1	9	7	3	0	22	0	6	28
Other resources related to reimbursement	0	0	0	1	1	0	1	3	0	4	7
Total	1	3	10	17	10	3	2	46	0	32	78
Bureau of Management											
2004-2005											
Regular resources	1	4	12	16	7	12	4	56	0	86	142
Other resources related to programme	0	0	2	9	8	15	6	40	0	31	71
Other resources related to reimbursement	0	0	0	6	14	13	4	37	0	56	93
Total	1	4	14	31	29	40	14	133	0	173	306
2006-2007											
Regular resources	1	4	11	16	5	14	3	54	0	60	114
Other resources related to programme	0	0	2	14	12	15	7	50	0	34	84
Other resources related to reimbursement	0	0	0	4	13	15	3	35	0	55	90
Total	1	4	13	34	30	44	13	139	0	149	288

Summary table 5 (continued)

Source of funds/ Organizational unit		International Professional category and above									GS and Other Categ.	Grand Total
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.		
Headquarters - Central												
2004-2005												
Regular resources		0	0	0	0	0	0	0	0	0	0	0
Other resources related to programme		0	0	1	0	0	0	0	1	0	0	1
Other resources related to reimbursement									0			0
Total		0	0	1	0	0	0	0	1	0	0	1
2006-2007												
Regular resources		0	0	0	0	0	0	0	0	0	2	2
Other resources related to programme		0	0	1	0	0	0	0	1	0	0	1
Other resources related to reimbursement									0			0
Total		0	0	1	0	0	0	0	1	0	2	3
Country offices - Central												
2004-2005												
Regular resources		0	0	0	1	1	0	0	2	0	1	3
Other resources related to programme		0	0	0	0	0	0	0	0	0	0	0
Other resources related to reimbursement									0			0
Total		0	0	0	1	1	0	0	2	0	1	3
2006-2007												
Regular resources		0	0	0	1	1	0	0	2	0	11	13
Other resources related to programme		0	0	0	0	0	0	0	0	0	0	0
Other resources related to reimbursement									0			0
Total		0	0	0	1	1	0	0	2	0	11	13
Total B. Management and Administration												
2004-2005												
Regular resources		3	10	22	38	24	15	7	119	11	134	264
Other resources related to programme		1	1	4	17	19	21	6	69	0	41	110
Other resources related to reimbursement		0	0	0	9	21	13	5	48	0	62	110
	Total - B	4	11	26	64	64	49	18	236	11	237	484
2006-2007												
Regular resources		3	10	24	35	22	18	6	118	11	116	245
Other resources related to programme		1	1	5	23	24	20	8	82	0	47	129
Other resources related to reimbursement		0	0	0	7	20	15	4	46	0	61	107
	Total - B	4	11	29	65	66	53	18	246	11	224	481
C. Support to operational activities of the United Nations												
United Nations Development Group Office												
2004-2005												
Regular resources		0	1	1	1	1	0	0	4	0	6	10
Other resources related to programme		0	0	0	0	1	1	0	2	0	1	3
Other resources related to reimbursement									0			0
Total		0	1	1	1	2	1	0	6	0	7	13
2006-2007												
Regular resources		0	1	1	1	2	0	0	5	0	7	12
Other resources related to programme		0	0	0	0	2	1	0	3	0	1	4
Other resources related to reimbursement									0			0
Total		0	1	1	1	4	1	0	8	0	8	16
Inter-Agency Procurement Services Office												
2004-2005												
Regular resources		0	0	1	0	0	0	0	1	0	1	2
Other resources related to programme		0	0	1	2	1	0	4	8	0	27	35
Other resources related to reimbursement									0			0
Total		0	0	2	2	1	0	4	9	0	28	37
2006-2007												
Regular resources		0	0	1	0	0	0	0	1	0	1	2
Other resources related to programme		0	0	1	2	2	2	1	8	0	27	35
Other resources related to reimbursement									0			0
Total		0	0	2	2	2	2	1	9	0	28	37
United Nations Volunteers												
2004-2005												
Regular resources		0	1	3	7	9	7	1	28	60	106	194
Other resources related to programme		0	0	1	1	3	8	2	15	0	18	33
Other resources related to reimbursement									0			0
Total		0	1	4	8	12	15	3	43	60	124	227
2006-2007												
Regular resources		0	1	3	9	9	6	0	28	60	102	190
Other resources related to programme		0	0	1	1	4	7	3	16	0	21	37
Other resources related to reimbursement									0			0
Total		0	1	4	10	13	13	3	44	60	123	227

Summary table 5 (continued)

Source of funds/ Organizational unit		International Professional category and above									GS and Other Categ.	Grand Total
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.		
Total, C. Support to operational activities of the United Nations												
2004-2005												
Regular resources		0	2	5	8	10	7	1	33	60	113	206
Other resources related to programme		0	0	2	3	5	9	6	25	0	46	71
Other resources related to reimbursement		0	0	0	0	0	0	0	0	0	0	0
	Total - C	0	2	7	11	15	16	7	58	60	159	277
2006-2007												
Regular resources		0	2	5	10	11	6	0	34	60	110	204
Other resources related to programme		0	0	2	3	8	10	4	27	0	49	76
Other resources related to reimbursement		0	0	0	0	0	0	0	0	0	0	0
	Total - C	0	2	7	13	19	16	4	61	60	159	280
Subtotal												
2004-2005												
Regular resources		10	57	154	193	121	73	9	617	617	2 072	3 306
Other resources related to programme		1	2	17	59	65	45	14	203	467	1 210	1 880
Other resources related to reimbursement		0	0	0	9	21	14	5	49	0	64	113
	TOTAL	11	59	171	261	207	132	28	869	1 084	3 346	5 299
2006-2007												
Regular resources		10	60	158	195	129	66	9	627	615	2 025	3 267
Other resources related to programme		1	2	20	68	75	46	15	227	469	1 244	1 940
Other resources related to reimbursement		0	0	0	7	20	16	4	47	0	63	110
	TOTAL	11	62	178	270	224	128	28	901	1 084	3 332	5 317
D. United Nations Capital Development Fund												
2004-2005												
Regular resources		0	0	0	0	0	0	0	0	0	0	0
Other resources related to programme		0	0	0	0	0	0	0	0	0	0	0
Other resources related to reimbursement									0			0
Total		0	0	0	0	0	0	0	0	0	0	0
2006-2007												
Regular resources		0	1	3	6	2	0	1	13	0	9	22
Other resources related to programme		0	0	0	0	0	0	0	0	0	0	0
Other resources related to reimbursement									0			0
Total		0	1	3	6	2	0	1	13	0	9	22
Grand total												
2004-2005												
Regular resources		10	57	154	193	121	73	9	617	617	2 072	3 306
Other resources related to programme		1	2	17	59	65	45	14	203	467	1 210	1 880
Other resources related to reimbursement		0	0	0	9	21	14	5	49	0	64	113
	TOTAL	11	59	171	261	207	132	28	869	1 084	3 346	5 299
2006-2007												
Regular resources		10	61	161	201	131	66	10	640	615	2 034	3 289
Other resources related to programme		1	2	20	68	75	46	15	227	469	1 244	1 940
Other resources related to reimbursement		0	0	0	7	20	16	4	47	0	63	110
	TOTAL	11	63	181	276	226	128	29	914	1 084	3 341	5 339

Summary table 6(a): Other resource estimates by source of funds and organizational unit, 2006-2007

(thousands of United States dollars)

APPROPRIATION LINE/ ORGANIZATIONAL UNIT	2004-2005 ESTIMATES	INCREASE/ DECREASE	2006-2007 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES			
A. PROGRAMME SUPPORT			
1. Country offices			
Africa	17 292.5	7 704.5	24 997.0
Arab States	21 870.3	1 763.1	23 633.4
Asia and the Pacific	25 923.6	5 773.6	31 697.2
Latin America and the Caribbean	50 523.8	8 849.8	59 373.6
Europe and the Commonwealth of Independent States	20 377.1	7 261.9	27 639.0
Country offices - Central	11 338.2	2 058.5	13 396.7
Subtotal programme support / country offices	147 325.5	33 411.4	180 736.9
2. Headquarters			
Bureau for Crisis Prevention and Recovery	3 240.7	(311.7)	2 929.0
Regional Bureau for Africa	1 299.8	1 508.4	2 808.2
Regional Bureau for Arab States	2 722.6	1 095.8	3 818.4
Regional Bureau for Asia and the Pacific	1 615.3	834.3	2 449.6
Regional Bureau for Latin America and the Caribbean	5 990.9	1 193.9	7 184.8
Regional Bureau for Europe and the Commonwealth of Independent States	2 777.2	440.0	3 217.2
Bureau for Development Policy	34 824.8	(347.1)	34 477.7
Special Unit for South-South Cooperation	0.0	457.1	457.1
Headquarters - Central	884.1	138.0	1 022.1
Subtotal programme support / headquarters	53 355.4	5 008.7	58 364.1
Subtotal programme support	200 680.9	38 420.1	239 101.0
B. MANAGEMENT AND ADMINISTRATION			
Office of Administrator/Associate Administrator	1 402.6	1 172.7	2 575.3
Office of Audit and Performance Review - Headquarters	1 525.2	286.5	1 811.7
Office of Audit and Performance Review - Country Offices	0.0	0.0	0.0
Bureau for Resources and Strategic Partnerships	8 586.7	3 993.8	12 580.5
Communications Office of the Administrator	0.0	586.8	586.8
Bureau of Management	16 567.3	9 873.0	26 440.3
Headquarters - Central	553.0	64.9	617.9
Subtotal management and administration	28 634.8	15 977.7	44 612.5
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS			
Country offices	0.0	0.0	0.0
United Nations Development Group Office	783.9	696.7	1 480.6
Inter-Agency Procurement Services Office	12 001.0	2 567.1	14 568.1
United Nations Volunteers	7 965.2	2 110.1	10 075.3
Subtotal support to operational activities of the United Nations	20 750.1	5 374.0	26 124.1
Subtotal I - Other resources relating to programmes	250 065.8	59 771.8	309 837.6
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS			
Bureau for Development Policy	407.9	0.0	407.9
Bureau for Crisis Prevention and Recovery	135.3	0.0	135.3
Office of Administrator/Associate Administrator	301.2	0.0	301.2
Office of Audit and Performance Review	2 508.2	0.0	2 508.2
Bureau for Resources and Strategic Partnerships	1 557.0	0.0	1 557.0
Bureau of Management	18 763.4	0.0	18 763.4
Headquarters - Central	2 211.6	0.0	2 211.6
Subtotal II - Other resources relating to reimbursements	25 884.6	0.0	25 884.6
Grand total	275 950.4	59 771.8	335 722.2

Summary table 6(b): Other resource estimates by source of funds and expenditure category, 2006-2007

(thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	2004-2005 ESTIMATES	INCREASE/ DECREASE	2006-2007 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES			
A. PROGRAMME SUPPORT			
1. Country offices			
Posts	92 675.6	28 635.2	121 310.8
Other staff cost	5 838.2	698.2	6 536.4
Consultants	5 466.4	478.5	5 944.9
Travel	3 228.2	374.1	3 602.3
Operating expenses	29 032.2	2 933.1	31 965.3
Furniture and equipment	6 137.5	323.9	6 461.4
Reimbursements/contributions	4 880.0	(31.5)	4 848.5
Development support services	67.4	(0.0)	67.4
Subtotal programme support / country offices	147 325.5	33 411.4	180 737.0
2. Headquarters			
Posts	31 047.8	4 272.9	35 320.7
Other staff costs	791.7	9.5	801.2
Consultants	7 576.2	778.2	8 354.4
Travel	5 561.2	798.2	6 359.4
Operating expenses	3 544.2	(332.5)	3 211.7
Furniture and equipment	294.1	(30.2)	263.9
Reimbursements/contributions	4 540.2	(487.4)	4 052.8
Subtotal programme support / headquarters	53 355.4	5 008.8	58 364.1
B. MANAGEMENT AND ADMINISTRATION			
Posts	25 069.2	15 007.1	40 076.3
Other staff cost	1 058.3	60.2	1 118.5
Consultants	689.5	158.7	848.2
Travel	111.0	62.6	173.6
Operating expenses	1 616.1	666.6	2 282.7
Furniture and equipment	90.7	22.6	113.3
Reimbursements/contributions	0.0	0.0	0.0
Subtotal management and administration	28 634.8	15 977.7	44 612.6
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS			
Posts	12 318.3	3 538.8	15 857.1
Other staff cost	198.5	32.2	230.7
Consultants	2 899.6	361.4	3 261.0
Travel	801.8	153.8	955.6
Operating expenses	3 903.4	1 250.9	5 154.3
Furniture and equipment	286.6	9.6	296.2
Reimbursements/contributions	341.9	27.3	369.2
Subtotal support to operational activities of the United Nations	20 750.1	5 374.1	26 124.1
Subtotal I - Other resources relating to programmes	250 065.8	59 772.0	309 837.8
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS			
Posts	22 917.3	0	22 917.3
Other staff cost	646.8	0	646.8
Consultants	81.8	0	81.8
Travel	8.1	0	8.1
Operating expenses	2 220.5	0	2 220.5
Furniture and equipment	0.0	0	0.0
Reimbursements/contributions	10.1	0	10.1
Subtotal II - Other resources relating to reimbursements	25 884.6	0.0	25 884.6
Grand total	275 950.4	59 772.0	335 722.4

Summary table 7(a): UNIFEM Proposed gross budget estimates by expenditure category within budget component, 2006 – 2007

(thousands of United States dollars)

APPROPRIATION LINE EXPENDITURE CATEGORY	2004 - 2005 APPROVED APPROPRIATION	VOLUME AMOUNT	%	CHNG	2006 - 2007 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES					
A. PROGRAMME SUPPORT					
Posts	7 027.4	0.0	0.0	896.5	7 923.9
Other staff cost	99.5	0.0	0.0	4.9	104.4
Consultants	108.0	0.0	0.0	5.4	113.4
Travel	95.2	0.0	0.0	5.2	100.4
Operating expenses	1 093.4	(192.7)	(17.6)	82.1	982.8
Furniture and equipment	81.5	0.0	0.0	4.4	85.9
Reimbursements/contributions	0.0	0.0		0.0	0.0
Subtotal	8 505.0	(192.7)	(2.3)	998.5	9 310.8
B. MANAGEMENT AND ADMINISTRATION					
Posts	3 636.2	168.8	4.6	619.0	4 424.0
Other staff cost	98.2	0.0	0.0	4.9	103.1
Consultants	95.3	0.0	0.0	4.7	100.0
Travel	69.3	0.0	0.0	3.8	73.1
Operating expenses	784.0	0.0	0.0	73.3	857.3
Furniture and equipment	64.2	0.0	0.0	3.0	67.2
Reimbursements/contributions	1 605.0	(241.7)	(15.1)	75.6	1 438.9
Subtotal	6 352.2	(72.9)	(1.1)	784.3	7 063.6
Total	10 663.6	168.8	1.6	1 515.5	12 347.9
Posts	197.7	0.0	0.0	9.8	207.5
Other staff cost	203.3	0.0	0.0	10.1	213.4
Consultants	164.5	0.0	0.0	9.0	173.5
Travel	1 877.4	(192.7)	(10.3)	155.4	1 840.1
Operating expenses	145.7	0.0	0.0	7.4	153.1
Furniture and equipment	1 605.0	(241.7)	(15.1)	75.6	1 438.9
Reimbursements/contributions	14 857.2	(265.6)	(1.8)	1 782.8	16 374.4
Total					

Summary table 7(b): UNIFEM Estimated distribution of posts by source of funds, 2006-2007

(thousands of United States dollars)

		International Professional category and above									Grand total
		USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	NP	GS	
A. Programme support												
2004 - 2005 Regular resources		-	-	1	8	5	1	-	15	-	8	23
2006 - 2007 Regular resources		-	-	1	8	5	1	-	15	-	8	23
B. Management and administration												
2004 - 2005 Regular resources		-	1	1	-	4	1	-	7	-	6	13
2006 - 2007 Regular resources		-	1	1	1	4	-	-	7	-	7	14
2004 - 2005 Other resources		-	-	-	-	3	3	-	6	-	5	11
2006 - 2007 Other resources		-	-	-	-	3	4	-	7	-	5	12
C. Grand total												
2004 - 2005 Regular resources		-	1	2	8	9	2	-	22	-	14	36
2004 - 2005 Other resources		-	-	-	-	3	3	-	6	-	5	11
	Total	-	1	2	8	12	5	-	28	-	19	47
2006 - 2007 Regular resources		-	1	2	9	9	1	-	22	-	15	37
2006 - 2007 Other resources		-	-	-	-	3	4	-	7	-	5	12
	Total	-	1	2	9	12	5	-	29	-	20	49

ANNEX 1

TERMINOLOGY

(Terms upon which common agreement has been reached and their corresponding definitions are given below)

Appropriation line (definition similar to those included in the Financial Regulations of UNDP, UNFPA and UNICEF): A subdivision of the appropriation for which a specific amount is shown in the appropriation decision and within which the executive head of an organization is authorized to make transfers without prior approval.

Augmentation: Incremental capacity above *base structure*, defined subject to the volume of resources managed by the organization and the complexity of operating environment; represents variable costs of the organization. Funding of augmentation is to be proportionately aligned between *regular* and *other resources*.

Base structure: Minimum capacity that the organization needs in order to be able to deliver on its core mandate; represents part of the fixed costs of the organization. Base structure of the organization is always funded from *regular resources* and was introduced in document DP/2003/28.

Biennial support budget: The budget of organization covering programme support and management and administration costs of the organization over a two-year period.

Broad banding: A system of grouping current grades into broad salary bands, thus providing for career development and enabling organizations to use jobs and deploy staff in a manner more aligned with its programme and operational demands.

Cost (increase/decrease): Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Cost classification: Set of criteria and the process of determining programme implementation vs. administration costs, and clarifying distinctions between those.

Cost, mandatory: Cost of a resource input, or any increase thereof during the *biennial support budget* period, mandated by specific decisions, legislated by the United Nations General Assembly and/or UNDP Executive Board.

Enterprise resource planning: A management information system that integrates and automates business practices associated with the operations of an organization; or multi-module application software that helps an organization to support such systems; or combination of the above.

Funding modalities, realignment of: Organizational-driven change in identifying and deploying funding sources aimed at attaining *proportionality*. Encompasses any of the following or combination thereof: (i) realignment of funding sources for *base structure* vs. *augmentation*; (ii) *cost classification* and, where applicable, subsequent shift of costs from management and administration to programme implementation support; (iii) increase/decrease in overall capacity.

Gross budget: For voluntarily funded organisations, the budget in which staff costs are estimated on a net basis (i.e., exclusive of staff assessment) and all other costs are estimated on a gross basis, i.e., inclusive of income tax payments for staff, total local office costs and costs of services to be rendered.

Management and administration of organization: Organizational units whose primary function is the maintenance of the identity, direction and well-being of an organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations, information and administration.

Net budge: For voluntarily funded organisations, the budget which reflects estimates of income to be expected which offsets, in whole or in part, the related gross budget estimates.

Other resources: Resources of a voluntarily funded organization, other than Regular resources, that are received for a specific programme purpose (Other resources relating to programmes) and for the provision of specific services to third parties (Other resources relating to reimbursements).

Other resources relating to programmes: Resources of a voluntarily funded organization, other than Regular resources, that are received for a specific programme purpose that is consistent with the aims and activities of the organization. These will include voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Other resources relating to reimbursements: Resources of a voluntarily funded organization that are received from third parties to cover the cost of providing specific services not relating to carrying out programmes entrusted to it for implementation.

Practice approach: A culture of knowledge-sharing that facilitates organizational learning, promotes exchange of experiences and ideas, and enables capacity development across a global network. The practice architecture is horizontal (without hierarchies) and all staff can equally participate, contribute and benefit, thereby strengthening UNDP's capacity to support programme countries.

Prince2: A process-based approach for project management providing an easily tailored and scaleable method for project management, where each process is defined with its key inputs and outputs together with the specific objectives to be achieved and activities to be carried out.

Programmes: Direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. This may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training.

Programme support: Organizational units that are primarily responsible for the development, formulation, delivery and evaluation of an organization's programmes. This will typically include units that provide backstopping of programmes on a technical, thematic, geographic, logistical or administrative basis.

Proportionality: State of resource mobilization and deployment, which ensures proportionate funding between *regular* and *other resources* in funding operational costs above the *base structure*.

Proportionality, gradual: Strategy and the organizational efforts aimed at eventual attaining of *proportionality*.

Regular resources: Resources of a voluntarily funded organization that are co-mingled and untied. These will include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Various cost adjustments: Cost increases/decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments.

Volume (increase/decrease): Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.

ANNEX 2

METHODOLOGY

The methodology involves several sequential steps in calculating estimates. These calculations are effected separately for each year of a biennium. Essentially, the methodology is to take the approved appropriations for first year of the current biennium and add the volume and cost adjustments, which results in the estimates required for the first year of the proposed biennium. Similarly, the approved appropriations for the second year of the current biennium are updated to result in the estimates required for the second year of the proposed biennium. Normally, the time during which estimates are prepared for the proposed biennial support budget during the first months of the second year of the current biennium. A description of each sequential step follows.

Volume adjustments

First, using the approved appropriations as a base, the real increases or decreases in requirements are calculated and designated as volume changes. Volume changes, as defined, represent the controllable elements in the estimates, subject to the executive head's assessment of what the organization requires to perform the task with which it is entrusted. Such volume changes are calculated at the same price levels as the approved appropriations in order to facilitate comparison with the currently approved base.

Various cost adjustments

To the approved appropriations and volume changes are added cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments. Except for within-grade increments, they reflect only known changes that have occurred in the two years since the preparation of the last biennial support budget. Such cost factors include, for example, decisions of the International Civil Service Commission on a variety of staff entitlements (e.g., dependency allowance, education grant) and changes in the average step of posts by grade level. These adjustments may also include estimates to cover within-grade increments for staff if the experience of the organization so warrants. Normally, but not exclusively, such cost adjustments apply to staff costs. An example of this type of cost adjustment for operating expenses would be a change in rate per square foot on relocation of premises.

Currency adjustments

Currency adjustments are then calculated, by year, on the total of approved appropriations, volume and various cost adjustments. These currency adjustments would normally be the difference between the United Nations operational rate of exchange in effect on, for example, 1 April of the year preceding the current biennium and for example, on 1 April of the second year of the current biennium, i.e., the time of preparation of the proposed biennial support budget. This factor is of particular importance given the extent of the organization's field offices, where operating costs vary greatly with the strength or weakness of the United States dollar.

Inflation adjustment

To complete the picture and develop the final estimate of requirements for the next biennium, the organization must adjust or estimate, inflation over a four-year period. These adjustments are calculated, by year, on the total of approved appropriations, volume and various cost adjustments, as adjusted for currency as follows:

(a) For the first year of the current biennium to the first year of the proposed biennium. The existing estimates already embody earlier estimates of inflation. The inflation adjustment for this transition therefore includes:

(i) The difference between the application of earlier estimates and the actual inflation for the first year of the current biennium;

(ii) The difference between the application of earlier estimates and the revised inflation projection for the second year of the current biennium; and

(iii) The inflation projection for the first year of the proposed biennium.

(b) For the second year of the current biennium to the second year of the proposed biennium:

(i) - (iii) as in (a) above; and

(iv) the inflation projection for the second year of the proposed biennium.

In order to arrive at these estimates of inflation, four inflation factors for each location are adopted for each year:

(a) The estimated movement of post adjustment for international Professional staff;

(b) International travel and common staff costs for international Professional staff (this is the same for all locations);

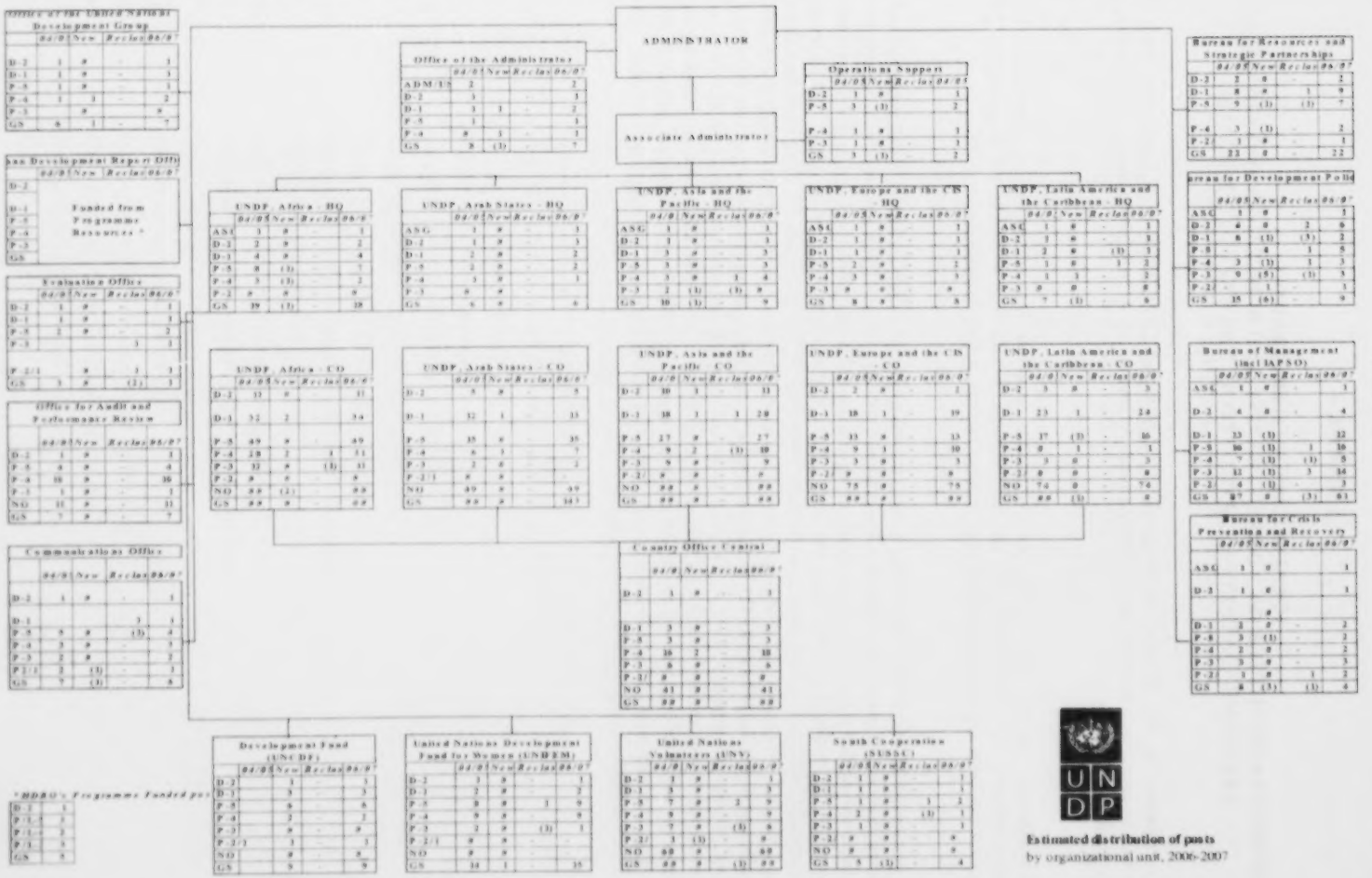
(c) Salaries and common staff costs for local staff, i.e., in the national Professional category and General Service and other categories, which may vary significantly from location to location; and

(d) All other costs, such as operating expenses.

Within this general framework, New York and Geneva are treated separately from field offices. For these two locations, the rates used are the same as those used by the United Nations unless specific contractual commitments differ.

Apart from a limited number of cost elements such as international travel and the common staff costs of international staff, the inflation factors for field offices must be location-specific. Estimates are compared with past experience and current global patterns and/or information that is available and published before being applied to the budget estimates.

United Nations Development Programme
Organizational structure and Proposed changes in Regular Resource Post Requirements for the biennium '06/07


ADMINISTRATOR
Associate Administrator
Office of the Administrator
Operations Support
Bureau for Resources and Strategic Partnerships
Bureau for Development Policy
UNDP, Africa - HQ
UNDP, Arab States - HQ
UNDP, Asia and the Pacific - HQ
UNDP, Europe and the CIS - HQ
UNDP, Latin America and the Caribbean - HQ
UNDP, Africa - CO
UNDP, Arab States - CO
UNDP, Asia and the Pacific - CO
UNDP, Europe and the CIS - CO
UNDP, Latin America and the Caribbean - CO
Bureau of Management (incl IAPSO)
Bureau for Crisis Prevention and Recovery
Country Office Central
Office of the United Nations Development Group
Human Development Report Office
Evaluation Office
Office for Audit and Performance Review
Communications Office
Development Fund (UNCDF)
United Nations Development Fund for Women (UNIFEM)
United Nations Volunteers (UNV)
South Cooperation (SUSSC)
Funded from Programme Resources *

* UNDP's Programme Funded posts

D-2	1
D-1	3
P-5	3
P-4	3
P-3	3
GS	5

Estimated distribution of posts
by organizational unit, 2006-2007

ANNEX 4

ACTIONS TAKEN TO IMPLEMENT THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (ACABQ) RECOMMENDATIONS AS APPROVED BY THE EXECUTIVE BOARD

1. As requested by the ACABQ in paragraph 3 of its report DP/2003/29 of 3 September 2003, UNDP is including herein as a separate annex, actions taken to implement ACABQ recommendations, as approved by the Executive Board.

2. In paragraph 2 of the same report, the Committee requested that future budget submissions include an organizational chart highlighting the number of posts in each unit at headquarters and in the field. This request has been met with the inclusion of Annex 3 in this budget submission.

3. In paragraph 15 of the same report, the Committee continued to express concern about proposals for upward reclassification of posts of Funds and Programmes of the United Nations, particularly at the D1 and D2 levels, stating that they must be the result of significant changes in the level and scope of responsibility of the posts. In its decision 2003/22 on the 2004-2005 biennial support budget of UNDP, the Executive Board requested UNDP to exercise utmost restraint in presenting future proposals for upward reclassification. For the 2006-2007 biennium, UNDP is proposing net upward reclassification of two senior level international professional positions from the D1 to the D2 level and one net downward reclassification from the D1 to P5 level, shown in summary table 4. The two proposed upward reclassifications to the D2 level are in the Bureau for Development Policy and reflect an alignment of the level and scope of responsibility of the positions with similar positions as explained in paragraph 70. Other reclassification proposals for general service and international professional level posts are consolidated in summary table 4 and explained in relevant paragraphs throughout this document.

ANNEX 5

LIST OF ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ASG	Assistant Secretary-General
BCPR	Bureau of Crisis Prevention and Recovery
BRSP	Bureau for Resources and Strategic Partnerships
DSRSG	Deputy Special Representatives of the Secretary-General
GLOC	Government contributions to local office costs
IAPSO	Inter-Agency Procurement Services Office
ICSC	International Civil Service Commission
IMIS	Integrated management information system
LEAD	Leadership Development Programme
MAIP	Malicious acts insurance programme
MDG	Millennium Development Goals
MYFF	Multi-year funding framework
OAPR	Office of Audit and Performance Review
PAPP	Programme of Assistance to the Palestinian People
PRSP	Poverty Reduction Strategy Papers
RBA	Regional Bureau for Africa
RBAP	Regional Bureau for Asia and Pacific
RBAS	Regional Bureau for Arab States
RBEC	Regional Bureau for Europe and the Commonwealth of Independent States
RBLAC	Regional Bureau for Latin America and the Caribbean
RBM	Results-based management
ROAR	Results-oriented annual report
SU/SSC	Special Unit for South-South Cooperation
TRAC	Target for resource assignment from the core
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDGO	United Nations Development Group Office
UNDSS	United Nations Department of Safety and Security
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIFEM	*United Nations Development Fund for Women*
UNOPS	United Nations Office for Project Services
UNV	United Nations Volunteers
USG	Under-Secretary-General